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PDN MAGAZINE

Plan your pension now. How can I be sure that I'll have enough later?

A new pension agreement: what does that mean?

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Just a few weeks to go and 2020 will be over. A unique year in which a virus suddenly dominated the world from one day to the next. Did anyone predict that when we celebrated the New Year on January 1? Perhaps this fortune-teller can also tell us what 2021 has in store for us?

Is it wise to book a summer holiday for next year? Is it a good idea to switch jobs right now? Can we plan a party a few months in advance? We cannot even predict what will happen tomorrow. We look ahead, but we're never exactly sure what the future will bring.

This is also what many young people say about pensions: "That's ages away yet and so much can change." And while that's true, that doesn't mean we shouldn't prepare for the future. It doesn't mean you shouldn't think about pensions when you're young, because otherwise you'll eventually be confronted with unpleasant surprises. You can actually prepare for lots of things, even your pension. And there are certain moments in life when it's a good idea to check your pension. The 'Plan your pension now' campaign tells you more about this and there's an article on the campaign in this magazine.

FORTUNETELLER WANTED

You can also prepare for uncertainties by considering 'what if' scenarios. You take an umbrella with you in case it might rain later and you take out fire or theft insurance just in case. These 'what if' scenarios are also included on your pension overview, your UPO, this year. The overview shows the pension you can expect to receive based on three scenarios: if things go well, if things are disappointing and the expected scenario. We cannot predict exactly how the economy will develop or the exact returns on our investments. But we still do want to show you that your pension can do well or be disappointing depending on how well things are going with the economy.

We don't know what the future will bring and that great fortune-teller hasn't checked in with us yet. But even if the final destination is unknown, you can still make sure you're well-prepared for the journey. Or maybe even very prepared.

Happy reading,
Ilona, Jacqueline, Karin, Mark, Maurice & Monique

A new pension agreement: what does that mean?

The current pension agreement comes to an end as of January 1, 2021. This means that social partners need to reach agreement about the new pension scheme before that time. And they managed that. The parties around the negotiating table - the four trade unions (FNV, CNV, Synergo-vhp and De Unie) and DSM as employer - have reached an agreement. The agreements were presented to PDN and PDN was asked whether the pension fund could implement these. We held interviews online via Teams with Roel Mesters, Director of Total Rewards at DSM, who represented the employer at the negotiating table and Hettie Kijzers, FNV union official.

Difficult circumstances

"The circumstances under which we conducted these negotiations were rather difficult for all parties," Roel began the interview. "On the one hand, this concerned the current unfavorable economic situation. Pensions are under pressure. Not only at PDN, but throughout the country. In simple terms: at the moment you get less pension

for each euro you invest, because the pension cost price is currently higher. This makes pension negotiations difficult. One aspect is that there are so many developments in the pension world. There is a national pension agreement and we are on the brink of a change in the pension system. There are still many uncertainties and this isn't helpful during negotiations."

Not a great story

"It's difficult have our members vote, because what is the alternative?," added Hettie. "We simply don't have a great story. Pensions have been under pressure for years and we need to backtrack a little. We have no choice in this. We'd much prefer to be able to tell you a positive story where everything is going well with pensions. It's also

a complex story. We have to stick to certain deadlines. PDN needs three months to introduce the changes that are coming, whatever these changes are. So we submitted our joint points just in time and asked PDN whether the pension fund could implement these."

In the interview we then discussed the choices made with Hettie and Roel, as well as the most important agreements in the new pension agreement.

Lower pension accrual in the new pension agreement

Your employer sets 24% of your salary aside for your pension. That is the pension contribution. As employee you pay a small proportion of that 24% and your employer pays the largest amount. The contribution will stay the same in the new pension agreement but, because of the low interest rates, the pension cost price has increased significantly. If the contribution stays the same and the pension is more expensive, this means you will receive a lower pension; your pension accrual will therefore be lower in the new pension agreement. Roel and Hettie explain why the social partners made this choice.

Roel says, "Prior to the negotiations, we already agreed not to change the pension contribution and to keep this at 24%. This was the trade union proposal and, as employer, we went with this. Currently 24% of your total salary goes towards your pension. That is a considerable amount. We didn't want to set aside even more salary for pensions."

Hettie explains, "As trade unions, we agreed with our members during the CLA negotiations that we would ensure good wage increases. We didn't want these negotiations to be dominated by the pension scheme. We succeeded in arranging the wage increases and we don't now want to exchange this for an increase in pension accrual. Of course, we also didn't say 'no' to an additional voluntary contribution by DSM."

"Together with all parties, we looked at the best route to ensure that you get

the most pension for the money you contribute. We were all on the same page," added Roel.

Pension accrual in money terms

The pension you accrue from 2021 will fall from 1.738% to 1.4%. If you have a salary of 50,000 euro gross, the pension you accrue per month will be 12 euros lower. For a salary of 80,000 euro it will be 20 euros lower per month.

Term of the new pension agreement

The term of the new pension agreement is two years. Roel explains why. "All parties agree that this agreement with its reduced pension accrual for members should last the shortest possible time. We would prefer to switch to a new pension scheme under the new pension system. That is a complex and complicated process. We held extensive discussions on the speed with which we could switch to the new pension system and under which conditions. As social partners, we hope to have a new scheme that meets the starting points of the, as yet unknown, new pension regulations within three months of the expiry of the new pension agreement (1 January 2023). If we do not manage this, we will then decide whether we need to make other choices or whether we need to extend this pension agreement for a further year."

Other negotiation points

"This agreement is an interim agreement towards the new pension system. We wanted to change as little as possible and only change what is really necessary," explained Roel. "An important negotiation point was improving the arrangements of the surviving dependent's pension. We were all on the same page, and everyone found it important to make good arrangements. And we succeeded. The surviving dependent's pension remains stable. If a colleague dies, their partner and children will not receive a lower amount in this two-year interim phase. From now on, there are also more options for taking part-time pension and an option for voluntary additional pension contributions will be introduced."

Take your own responsibility

"It is becoming increasingly important that members take their own responsibility in this," Hettie and Roel emphasized. "We still have a good pension scheme," stated Roel. "But it is under pressure. It is important that you study your pension, and check whether you'll have enough pension later. If you're 35, you're probably not really focused on this. However, it's still important that you make financial plans at that age, and that you look ahead to your retirement. This isn't only PDN's job. The employer also needs to ensure that employees are aware of this."

Hettie adds, "We consider this agreement to be a temporary arrangement. We want to be back at today's level in two years' time. For us as labor union it's not a starting point that members need to make better pension arrangements themselves. However, people do need to consider whether they want to accept accruing less pension for two years. If they can't accept that and want to increase their accrual, they can make voluntary additional pension contributions."

Roel explains, "Various structural matters are putting pensions under pressure. I think it's really good that members are offered the option to make additional contributions. I want members to look at their pension in a much broader way. For instance, is it wise to pay additional money into your pension or is it wiser to pay off your mortgage quicker? Do you have other outgoings that you can pay off? Make a financial plan in which you include your income and expenditure after retirement."

Hettie says, "What I also often hear is that when people make a financial plan, they're suddenly really surprised and start making completely different choices. For example, it turns out that they can retire earlier than expected."

Affiliated companies

The pension agreements that DSM has made with the trade unions also apply to the other companies (former DSM



Roel Mesters and Hettie Kijzers

companies) that are affiliated with PDN. “The affiliated companies follow the DSM pension scheme exactly. Formally, DSM and the union organizations take part in the negotiations. On the employer side, there is however a lot of contact with the affiliated companies to inform them of the developments. We understand their requirements and interests and we champion these,” answered Roel. “The affiliated companies have the same participation in the unions as DSM. During the coming changes to the pension system we will intensify contacts with our membership. This will be totally new scheme with different starting points and frameworks. We want

to involve our members more in all the changes that are to take place”, indicated Hettie.

Doing our utmost

Do Roel and Hettie think that we will switch to a new pension scheme based on the pension agreement within two years? “We still have the option to extend this pension agreement by a year”, stated Roel. “We will all be doing our utmost to achieve everything as quickly as possible. We also know that it is a really complex matter. To make the transition, we need to make complex considerations and decisions. In addition to the CLA parties,

the pension fund itself and the bodies around it have a role in this.”

Hettie and Roel concluded the interview with the message that it is important to be and to remain critical as a member. “Don’t just sit back and think that everything is being arranged for you. If you aren’t sure or don’t understand, just ask. Help us think about this, be alert and trust your common sense.”

Tell your story

Are you a pensioner and would you like to tell us all about your pension journey? Perhaps you have a hobby you’d like to share, or you emigrated or have your own company. Or perhaps you have a completely different story or tips you’d like to pass on to the younger generation. We would be delighted to plan an appointment with you to hear your story so we can publish it with one or more photos in this PDN Magazine in ‘The pension journey of ...’ column. It’s nice for your former colleagues who are wondering how you’re doing, as well as being great to show to your family.

Please contact us at redactie.pdn@dsm.com or call on +31 (0)6-83642648.

Maybe your story will be in the next edition of PDN Magazine?

Plan your pension now

How can I be sure that I’ll have enough later?



PDN’s Pension Scheme is considered to be very good. But that does not necessarily mean that your pension will be good too. This partly depends on your personal circumstances. Various situations can result in a disappointing pension:

Career

The pension you accrue at PDN over the course of time is based on your average salary. If you have a successful career, you will end on a salary that is much higher than average. If your lifestyle ‘grows’ with that salary, we recommend that you take a critical look at your pension situation.

Temporary pause in pension accrual or job changes

If you did not accrue any pension at your former employer or when you were self-employed, your total pension can be disappointing. That is also the case if you worked for a long time for an employer that had a less effective pension scheme. If you want to know more about your total pension so far, including the pension accrued at other employers and your state pension, check Mijnpensioenoverzicht.nl.

Divorce

If you divorce, part of your accrued pension can go to your former partner. This means that your pension will be lower.

Working part-time

Do you want shorter working hours in the future? This will influence your pension accrual. Would you like to know how working part-time affects your pension? Then visit the PDN website and click on ‘Inloggen’ (log in).

Income and expenditure

Are you expecting to have high outgoings when you retire? Examples include paying off a mortgage or helping your children who are studying. The ‘Genoeg pensioen’ (Enough pension) tile on the PDN website has a handy tool to help you compare your income and expenditure.

Plan your pension now’ is an initiative of the Federation of Dutch Pension Funds (Pensioenfederatie). On behalf of the pension funds, they want to make young people aware of the fact that pensions already play a role in their lives right now. The nuietsdoenaanjepensioen.nl website has handy checklists and step-by-step plans for checking your pension, and things to look out for.



Have you already downloaded the new Pensioenchecker app?

Want an easy way to check what your income will be later? You can do that now using an app that you can download in the App Store or via Google Play.

How does the Pensioenchecker app work?

- Log in with your DigiD.
- You will see your net monthly state pension and pension.
- See what will happen if you stop work earlier. <Click on the ‘Eerder stoppen’ (stop earlier) icon>
 - Find out the effect of making additional savings. <Click on the ‘Verhogen’ (increase) icon>



The Pensioenchecker app is a pension sector initiative.

Sooner...

Name: Michel Ubachs
Age: 73
Position: Assistant Director of Fiscal Affairs
Retired: in 2011, age 64

Tell us a bit about yourself.

"I was on the PDN Board until June this year. I read two daily newspapers and try to walk 10 kilometers every day. My role as Acting Chairman of the local history association takes up a lot of my time. I'm also very much into philosophy and history and take courses in this. I'm currently doing a course in quantum physics and awareness. I've also been socially active my whole life. I'd like to make the difference for people who have fallen by the wayside through no fault of their own. My wife and I look after our grandchildren one day a week and that certainly keeps us young."

"I'm also a member of the Synergo and VDP pension committees. With the new pension agreement, these are also taking up quite a lot of time right now. I enjoy arthouse films and music, particularly classical. I give ad hoc management and strategy advice, but that's currently on the back burner. All of this keeps me rather busy. When I left the Board, a colleague Board member advised me to do nothing in the area of financial advice or within associations or other fora for the first six months. I didn't manage that."

What was your dream plan for your pension?

"I didn't really dream about this very much, because I always had appealing, challenging and creative work. Once you reach a certain age you know that you need to stop at some point. I thought long and hard about when I should do that, because there were still lots of challenges. At a certain point, however, I noticed that I no longer had the flexibility and mental processing speed that I used to have."

"The most important thing about retiring for me was that I no longer had any work stress; that my agenda no longer ruled my life and that I regained some of my personal freedom. I wanted to do various things, as I just mentioned, such



as courses in philosophy and history. I wanted to be active in local history and in the social field. My wife and I also wanted to travel. We've reduced that now, partly due to the coronavirus. I also wanted to renovate the family farm and live there."

"I'd like to make the difference for people who have fallen by the wayside through no fault of their own."

"What wasn't on my agenda was becoming a Board member of a pension fund. I was asked and needed to think long and hard about this, because that brought a certain structure to my life that I wasn't looking for at that time. The biggest advantage of being retired is that you have the freedom to say 'no' to things and do the things that you really enjoy. However, I still said 'yes' and was a Board member for 27 years. And that

doesn't count the years in which I was Deputy Board member and needed to step in regularly. It's assumed that you spend a day a week on Board work, which is really difficult if you're still working."

What did you do to make your dream come true?

"I've taken a lot of courses including at HOVO Nederland: Higher Education for Older People. Unfortunately, this no longer exists in Limburg. I even tried to understand Einstein's theory of relativity. I've been focusing on philosophy and art and have visited lots of museums and attended talks about

things that interest me. My wife and I traveled, but that was unfortunately curtailed sometimes. The farm has now been renovated and we've been living there for almost six years."

How is your life now?

"I can now do everything when I want and determine my own tempo. I think that's one of the huge advantages of retirement."

What are the most important changes?

"From the very first day there was no longer any stress. But it still took at least a year to get free of that rhythm and feeling of responsibility. It took me more time than I thought. I was always a really busy type and needed to create a new tempo for myself. I also came in contact with people who had a different rhythm. I'm quite impatient by nature, but did my best to reduce my tempo and adjust to other people."

Looking back, is there anything you felt you should have or would have liked to have done differently?

"No, that's not in my nature. I do something and try to do it well. You learn from your mistakes, so I don't dwell on things that much. Life is, after all, full of uncertainties. I try to get satisfaction from the things I'm doing. It was always really important for me to think and act independently and that's been the recurring theme in my life. My profession as tax advisor made that relatively easy. There weren't many of us and that gives you endless professional possibilities. I'm aware that many people do not have that freedom and those opportunities. During my work for the pension fund, DSM never influenced me as employee to take a certain viewpoint. I really appreciated that. And I offered quite a few contentious viewpoints, even if it was just to make sure that the discussion wasn't too one-sided."

What tips do you have for Ivo?

"It's difficult to compare today with the time I was working. Just look at all the changes at DSM over the past 20 years. DSM changed from a Dutch company with over 22,000 Dutch employees to a global company with fewer than 4,000 employees in the Netherlands. DSM needs, as we all do, to keep pace with general progress. From a job for life to being hired for a certain task that keeps on changing. Globalization brought many economic advantages, but researchers that come after us will determine whether we lost the human dimension in this. Many people cannot grasp or keep up with the developments. Everything goes too fast for them."

"There are probably two main themes to bear in mind:

- Make sure you have a scenario to fall back on in case what you do is no longer required or is done in a different way. Keep on top of the developments in your profession and try to understand the future consequences any changes will have for you. And life-long learning is not an empty slogan. Keep monitoring the changes around you and take action in time.

- Try to build a financial buffer, for example through additional pension contributions. The current generation doesn't have it anywhere as easy as my generation did as far as pre-pension savings are concerned. But that's not to say that there are no options. You can save more by doing things such as paying off your mortgage. If you've accrued a reasonable pension, you can retire earlier. You can take a step back in your current work and take a part-time pension. Remember, your physical and mental health is one of the most important treasures you have. There are financial issues associated with every choice you make. Take your time and consult an independent financial advisor if you're not fully conversant with the topic. It's not rocket science, but do be realistic."

"It all sounds a bit of a cliché but I think these are the main personal topics you need to stay aware of. And as far as business is concerned: Ivo certainly knows how to tackle that."

"I can now do everything when I want and determine my own tempo. I think that's one of the huge advantages of retirement."

...or later

Name: Ivo Nelissen

Age: 41

Position: VP Group Taxation

Tell us a bit about yourself.

"I've been living with Stéphanie, my Belgian other half, for a long time. We relocated to Belgium four years ago and have two girls: twins aged six. I started working as tax advisor at Deloitte in 2001. In 2008, I ended up at DSM Fiscal Affairs, where Michel was working in his final job. Michel and I worked together for two years and I learned so much from him. It was a new world for me. When Michel retired I took over some of his tasks. That's now ten years ago, but it seems a lot shorter. I still remember well that if I had an hour-long discussion with Michel, we spent 55 minutes discussing life lessons. We always finished discussing the content within five minutes. I really enjoyed it. I've gone through the entire organizational transition in the twelve years that I've been working for DSM. Working in fiscal roles with M&A activities has been the common theme throughout my career. I've been responsible for the fiscal department since October; a job that brings even more new responsibilities."

Do you think about your pension?

"Yes. I'm broadly interested in everything related to finances and I'm very much on top of my own pension situation. That's what my profession is all about. I also know all about my partner's pension situation and I'm aware of the risks of what will happen pension-wise if something happens to me. Particularly now I have children. I do find it difficult to look 25 years ahead though. The current pension discussion is a really difficult one. If you have the opportunities, you should try to build your own financial buffer. Then you're no longer dependent on such things as the state pension."

"I also look at the more general, social side of pensions. It's more common today to jump from job to job. People don't focus enough on the consequences this will have for their pension. I do sometimes notice that with the people around



"I'm broadly interested in everything related to finances"

me. It worries me, and I wonder if they realize what this job-hopping means for their pension when they're older. If you only think about this at a later age, you have no opportunities to make any adjustments. You do have that opportunity if you focus on this when you're young. There are many gains to be made from raising awareness."

What is your dream plan for your pension?

"What Michel just said sounds fantastic, although Einstein's theory of relativity isn't on my list. My pension dream is that my loved ones and I are healthy and that I'm independent enough to be able to retire a little earlier. I want to make sure that I can provide financially for our lives and that I can give something back to society via certain ancillary activities. I'm currently mainly hoping that our children do well and that they perhaps have their own children when it's time for me to retire. My wife and I would like to travel regu-

larly and enjoy life together at a slower pace; enjoying the small things in life and being in good health. I don't need more than that."

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

"I'll have a good job. I keep a careful watch on my pension situation and understand the 'what if' situations. I'm making sure that we can pay off our mortgage in time and I'm busy with that now, although not really actively. Now that I'm over 40, I'll start to think about this more. Reaching that age was a trigger for me. It's always difficult to take action when you're very busy with work, children and your family. You really need to make time for this. I do like what Michel said about independence. I don't want to look too far ahead; five years is already long enough for me. I want to keep developing and stay mobile. And healthy, because everything depends on that."

Do you have any questions for Michel?

"When I first arrived, Michel was towards the end of his career and I was just starting out. I know how hectic his job was, how he was ruled by his agenda and the important decisions he needed to take, and how difficult it was when he no longer had this agenda. How can you prepare better for that when you're facing your retirement?"

"I did indeed find this difficult", answered Michel. "In hindsight, I continued in my job for too long. If I were to have my time over, I would hand over several activities much earlier. I did have the opportunity to do that at the time and

I see friends of mine doing that. They take a step back somewhat earlier and take on more of a coaching role so that they can transfer some of their knowledge in that way."

What are you going to do differently after this interview?

"I'm not going to immediately do anything fundamentally different. I really enjoyed catching up with Michel. Even though I'm quite on top of my pension, such moments still make you stop and take stock. We receive pension notifications by email. A topic such as your pension needs to attract your attention among the huge mountain of information and emails that you receive. An interview like this is a great time to do this. How can we create that trigger for many more people? How can we ensure that young people start thinking more about their pension? It's of tremendous value for everyone that they do this in time."

"My pension dream is that my loved ones and I are healthy and that I'm independent enough to be able to retire a little earlier."



“I see our fund as a company that works for its members and I’m well aware that we’re handling someone else’s money. Everything you do affects the members financially.”

Rein Pikaart has been prospective Board member at PDN since July 1. We met him in the DSM office in Heerlen. This is familiar territory for him as he worked here for the last fifteen years before he retired. His career at DSM started in 1980. It’s immediately clear that this conjures up great memories. Even before we ask a question, Rein talked ten to the dozen about the development of DSM and the roles he fulfilled. We also talked to him about the pension agreement and about his experience as Board member of various pension funds.

What’s your background?

“I was born in 1952. My parents were skippers on inland shipping vessels. At that time, most skippers’ children went to a skippers’ boarding school at the age of eight. There was no compulsory education for this group. You took two classes every year and after four years you usually went back on board or to the inland shipping school. Only a few went on to higher secondary education. My parents thought differently about this. When I was six I was put ashore and lived with a family I didn’t know. So I grew up on a farm in Grevenbicht. After secondary education in Rotterdam I went to Delft University of Technology where I studied chemical technology. I lived in Rotterdam with my parents during my studies. At the start, they were still on their ship during the week, until they stopped trading. I also sailed with them for a few years on the ‘Johanna.’”

What was your career at DSM like?

“I started at the Central Research Organization (later DSM Research) in 1980, where they still had wooden laboratories. Stanyl was just in development at that time. I travelled in my own car on my first business trip to Velp. That wasn’t in line with the rules and initially I wasn’t reimbursed. You must travel by train. The trick was to throw a bag of polymer in the car. Then you had to transport something and that was within the regulations.”

“After fulfilling multiple management roles, I worked at Corporate Human Resources from 1999 until I retired in 2015. First as Vice President Executive Compensation and from 2012 as Vice President HR projects and Mergers & Acquisitions. The move from a technical job at DSM Polyethylenes to employment conditions for executives and expats was a real change. I was also involved in pensions in that role. As I was responsible for the global remuneration strategy, including pensions and the contract management for DSM executives and expats, I saw some 1,000 executives come and go. DSM changed tremendously in that time. My position close to the Board of Directors meant that

I was involved in over 35 potential and actual acquisitions and disinvestments. I became familiar with many cultures and encountered other international pension systems. I really learned a lot. In the final years I also did all the pension negotiations on behalf of DSM with purchasing and selling parties; the potential impact for all those involved was often huge. These activities, combined with my Board roles, enabled me to lay the foundations in the USA and UK for further changes to the DSM pension situation.”

What Board experience do you have with pension funds?

“In 2007, I was asked to manage the DSM UK Pension Fund in England and two years later to manage the DSM USA pension funds; USA DB and DC Mastertrust. I was Board member on behalf of the employer at PDN from 2008 to 2016. I was on the Complaints and Disputes Committee, the Actuary referee body and the Strategy working group.”

How did you prepare yourself for your new role?

“I didn’t. Since I retired, I’ve also been a member of the DSM Pensioners Association (VDP). I put myself forward as candidate when the Board elections at PDN came up. I still have the pension knowledge to make a valuable contribution to PDN’s future.”

“I was delighted to be selected as Board member. You can’t really prepare for this. It only becomes clear which development process is needed once you’ve been selected. Stichting Pensioen Opleidingen (SPO, pension training foundation) produced an expert profile, on the basis of which I needed to follow two training courses. I’m now busy with the Asset management module, after which there’ll be another interview training as preparation for the review by De Nederlandsche Bank (DNB).”

What has struck you most at PDN so far?

“I’ve only attended a few meetings as observer. As prospective Board member I’m not really directly involved in the daily business yet. These days there are professional Board members and key position holders; they didn’t exist during my previous Board period. The regulations have also increased and become stricter. The administrative burden (meaning, the length of various documents, ed.) is certainly no less than in the past. PDN is now also suffering even more from the economic climate.”

“A lot has changed. The number of active members at PDN fell sharply from the start of this century. There are now just 6,000 active members. 40% is employed at the other affiliated employers rather than at DSM. Systems, employers; the whole world has changed. And much more will change, certainly with respect to pensions.”

What drives you as PDN Board member?

“The financial world fascinates and intrigues me. And PDN is part of that. PDN belongs to all of us. It also feels like my PDN. I see our fund as a company that works for its members and I’m well aware that we’re handling someone else’s money. Everything you do affects the members financially.”

"In 2008, PDN still had a considerable funding level. But this has fallen. As well as extremely strict regulations, the low interest rate is a dominant factor. This has a huge impact on the funding level. For years we were unable to increase the pensions, which means that everyone is behind on what was once promised. It was never actually guaranteed, but still. And then there's the huge effect of COVID-19 on the economy. The further liberalization of financial policy at the Central Banks has placed more pressure on interest rates. So we're facing a huge challenge. That's something that's simply made for me."

What kind of Board member are you? Where are your strengths?

"Pushing boundaries is the common theme throughout my career. I always look ahead, I'm a strategic thinker and I'm usually future-focused. I never follow the status quo, but always aim to discover how to further develop matters. When doing this I sometimes think of a song by Purper: "You need to sail with today's wind, yesterday's wind won't take you anywhere, and tomorrow's wind may never materialize." Changing is in my blood. There are usually various solutions; after all there's more than one way to skin a cat."

"I think communications with members must always be transparent and clear. My experience within the USA Defined Contribution Pension Fund will enable me to contribute to this. I hope I can live up to the trust that a large number of people have placed in me."

What do you think about the pension agreement?

"A basic agreement is in place, but a lot still needs to happen. It's good that there is finally a breakthrough and that there's a new setup on the way. This looks much more transparent. What this will mean for members in reality is not yet clear. The formal legislation needs to be produced prior to January 1, 2022. All pension funds need to have switched to the new pension contract by 2026. The social partners have a big responsibility here. The Board needs to look carefully at the composition of the membership and the interests associated with this. PDN has comparatively few active members and many sleepers and pensioners. Shaping the pension agreement in a good and smart way, as well as ensuring that it is acceptable and fair, is a huge challenge in the current turbulent context. Every financial-economic prediction is obsolete tomorrow."

"An entirely new dynamic is expected to be created within the new pension contract. Members will then receive their own pension pot. There will be a division across the generations that is less open for discussion, and pensions will move more with economic developments. A pension increase or reduction will be a direct result of these developments."

"You need to sail with today's wind, yesterday's wind won't take you anywhere, and tomorrow's wind may never materialize"

(Frans Mulder—Sail with today's wind, ed.)

When will PDN members know more about the pension agreement?

"That will take a few years. The members will not notice much about this in the coming two years. Between 2022 and 2026, everyone will need to have a new pension contract. Then it will depend whether your pension fund stays ahead or whether you're at the back of the queue. The Board is working together with social partners on the development of a timeline that is appropriate for PDN."

How should members prepare for the pension agreement?

"It's good to stay informed of what is happening in government and about each new item of legislation that is passed. And to follow PDN communications. We publish important decisions on the website. As soon as something changes for individual member pensions, everyone will receive a personal notification."

What do you do in your free time?

"I'm really interested in the financial world and follow this every day. I'm a private investor, I read the Financieele Dagblad (FD), I'm a member of IEX platform and the Dutch Investor Association (VEB). I also enjoy DIY, and helped renovate the homes of our daughter and son. I'm also regularly refurbishing our own home. Gardening is another hobby and I exercise twice a week. My spouse and I also look after our two grandchildren. We have three grandchildren and two step-grandchildren."

What's your home life like?

"We've lived in Born for 32 years. Our house is the last one on a small no-through road. It was built in 1988 in a traditional farm style with views across a former castle farm. It's a really quiet area."

What are you most proud of?

"I think proud is the wrong word. My parents made sure that I could study and always stood behind everything I did. That laid the foundation. I then ended up at DSM, which was a great place for me and I was offered lots of opportunities. You can't achieve anything in a company either unless you have people around you, a team. To achieve something, to be able to do something; you do this together. I was generally able to work in an environment in which that was possible. The latter also applied to my family. You need space there too; they need to be behind you. If none of this had happened, my career would probably have been very different. Perhaps I should be proud of that, but I find the word proud difficult. I am certainly extremely happy with many things."

What is your dream for PDN? What will PDN be like in 5 years?

"I hope that we will be in a more stable economic environment in five years' time, with a good and acceptable pension for everyone at that point and in the future. And that pensions grow with the, hopefully, positive economic developments, and that eve-

ryone can benefit from this. There is a lot of uncertainty now, which makes it difficult to make realistic predictions for the coming five years. As fund, we need to ensure the best and soundest possible financial future for our members within the given frameworks, and within the environment in which PDN has to operate."



Ask Meta

My pension overview (UPO) states that my pension age is 67 years, but I'm retiring at State Retirement Age (AOW). How does that work?

Meta Knuth, Senior Pension Officer at DSM Pension Services:

"This used to be a lot simpler. You had the state pension age (AOW age) and your retirement date, and this was the age of 65 in both cases. These days, there are so many different ages used for your pension that you may not be able to see the wood from the trees!

Let's start with the ages that the Dutch government works with, such as the ever-changing state retirement age. If you were born after February 28, 1957, the state pension age is currently 67 years. If you were born before this date, your state pension age will be between the ages of 66 and 67. According to the latest reports, the state pension age of 67 years will apply until 2026. It may be increased again from 2026.

The government also sets a pension calculation age. We use this to calculate everyone's pension accrual. The government has set this pension calculation age at 68. However, to complicate things even further, the social partners may decide to deviate from the age of 68 in the pension regulations. They did this at PDN and chose to set the pension calculation age at 67 years. This age is referred

to as the pension age in the pension regulations and on your UPO. Be careful not to confuse it with your state pension age.

When do you want your pension to start?

Luckily there is one important date that you can choose yourself: your own retirement date. This is the date on which you want your pension to start. In the Netherlands, this date must be between your 55th birthday and your state pension age, plus up to five years. At PDN, you can start your pension from your 55th birthday. This is another choice made by the social partners. Generally, your pension starts on your state retirement age, because according to the CLA your employment ends on that date. But you can also start your pension later than your state retirement age. Please note that postponing the start of your pension will influence your insured partner's pension. You can calculate what impact this will have in the pension planner. If you want to know how, please send an email to PDN's Pension Desk."

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

John van Engelen's pension journey



The R.K. St. Stephanuskerk church from 1782 on the right, built by Peter Rutten from Stevensweert. Left is the former Stevensweert town hall, which is now a museum, built according to a Pierre Cuypers design in 1858.

The iconic village of Stevensweert is located on 'Eiland in de Maas' in Midden-Limburg. We agreed to meet there with John van Engelen on a sunny autumn day. Our interview took place in the Stevensweert/Ohé en Laak local museum, of which John is the co-founder (1983), Chairman and interim Secretary. We didn't only learn more about John, but also about the history of the 'Eiland in de Maas' and the many attractions in the museum.

Impressed

During the Eighty Years War, the Spanish converted the "Eiland in de Maas", including Stevensweert into a fort in 1633. They constructed earth fortifications around Stevensweert with seven projecting points, the bastions, and five fortification islands known as ravelins. These can still be seen today in the seven-angled perimeter and the radial street pattern: the streets conver-

ge from the fortifications onto a central point. Some of the fortifications were reconstructed in 2010.

The museum is located on Jan van Steffeswertplein square. Before John opened the museum for us, he pointed out the paving on the square with its artistic depiction of the floorplan of the fortifications. As well as many activities for the museum, John is also Tourist

Office guide for 'Eiland in de Maas': "We've lived in Stevensweert since 1978. My wife and I were able to buy a barn on my in-law's farm", explained John. John's tour continued in the museum and he explained about people like Jan van Steffeswert, a Mediaeval craftsman who, contrary what was common at the time, signed his carvings. We were impressed by the many archaeological finds, the scale models and the interior items from Walburg castle that were on show at the museum.

The nest

"I was born in Echt in 1950, the fourth of seven children, to an affectionate hair-dressing family. After primary school in Echt, I went to secondary school in Susteren and then on to the hbs-A in

Roermond (secondary education with a language focus). I then faced a difficult choice. My heart said social work, my head said higher economic and administrative education (heao). In the end I chose the heao in business economics in Sittard and I've never regretted it. Around ten years ago when talking to the Chaplain in Echt, I discovered that during my application process in 1973, DSM had asked the local pastor which nest I came from. He apparently gave a satisfactory answer," John smiled.

Voluntary work

Although John decided not to choose social work, he did use and still uses his social skills in daily life. "I love organizing and enjoy being responsible for something. I'm a real community person and find it a challenge to get people motivated. I've been doing voluntary work since I was 16, particularly long-term Board work. For instance, from 2011 to 2019, I was on the Arcus Supervisory Board, now known as Vista College and I'm a member of the Stevensweert 2033 Working Group. This working group is stimulating the implementation of projects to improve livability in Stevensweert, such as the introduction of flower baskets, community gardens and nature areas. The latter is a consequence of the large-scale grit excavations. The village also recently received two new gateways, the artworks Veldpoort and Maaspoort."

The Roman Catholic church, St. Stephanus is next to the museum and John is also active there. First as treasurer of the Church Board and now as usher and acolyte at funerals. He received a royal designation for his voluntary work this year. John feels that it was his wife who actually deserved this, as he was so often away from home for these activities.

Wonderful combination

"DSM was my first and only employer. I applied in 1973 after my military service. I explained my problem in choosing a direction in further education. They responded really positively to this. Even though my education was in economics, there were options

and disciplines enough for me to use my other competencies. I started as employee at the ATV Business Office. It was an important position for my start at DSM, as ATV supplied and purchased energy from and to all business units in the Geleen and Beek locations. After various positions in different departments, I started work at Energie Beheer Nederland (EBN) in 1992, as Manager Financial Administration and Reporting. I combined this with my work for the Works Council at the head office and for PDM, where I started as Board Member in 1993. I did that until mid-2016, with 9 years as Vice Chairman. After that, I was a member of the Accountability Council for four years."

"I feel really satisfied when I look back on my working life. It was a wonderful combination of work and Board positions at PDN, and the Works Council. This was actually only possible because of the good cooperation of my managers, not to mention the cooperation of my employees and other colleagues, as

they had to cover for my absence during my ancillary activities. I'm really grateful to them for this."

"Did you ever realize how valuable it would be to have a healthy life with your wife in the period between your 60th and 70th birthdays?"

Course change

"The EBN Board of Directors decided to relocate to Utrecht in 2006. In consultation with the head office Works Council, of which I was Chairman, a compromise was reached to arrange a four-year transition period to build up the activities in Utrecht and wind down

John van Engelen's passport

Born on: 11 August 19500

Married to Josje since 1973, 2 sons: Cerial and Bastiaan, 3 grandchildren: Sara (7), Sophie (5) and Tom (6 months).

Career:

- ATV Business Office employee;
- ATV Financial Administration employee;
- Head of Financial Reporting and GOP staff;
- Economic Acquisition and Reporting (EAV) employee;
- Concern Administration (CA) employee;
- ALZA Research Sector Controller;
- Energie Beheer Nederland (EBN) Manager Financial Administration;
- EBN staff member, Project Leader Treasury;
- EBN staff member, Project Leader Audit.

John took early retirement in 2011, aged 60.



Stevensweert/Ohé en Laak local museum
 The Social Organization Fund (FSI) is supporting Stevensweert/Ohé en Laak local museum from 2020 to 2022. Employees, early retirees and pensioners from the FSI target group and their family members have free entrance to the museum.

Opening hours:
 April 1 to October 30: Thursdays to Sundays 1:00 pm - 4:00 pm
 November 1 to March 31: Sundays 1:00 pm - 4:00 pm

A themed walk is organized every month.
For more information visit: museumstevensweert.nl.

the activities in Heerlen. There was also a social plan for the people who didn't want to move to Utrecht. In the 2006-2010 period, I implemented various projects for EBN. I didn't want to relocate to Utrecht, but I did help establish the office. I was 60 when we finished all this in 2010. I was working on returning to a DSM department and was already in the middle of the application procedure. The Director concerned and I reached an agreement one Friday afternoon. I'd give my final 'yes' on the following Monday. We had coffee at the end, and he asked me whether I'd ever realized how valuable it would be to have a healthy life with your wife in the period between your 60th and 70th birthdays. Before I'd arrived back in Stevensweert from Heerlen I'd completely changed course. Why start a new challenge at DSM when I was already financially independent? So I left the company in 2010 with many fantastic memories, such as the stock market listing of DSM in 1989, and the party in Vaalsbroek with everyone who was involved. I still have a lot of contact with former EBN colleagues. About four times a year we get together for walks and a catch-up with about ten to fifteen people in South or Central Limburg."

Keeping the brain working

Whoever thinks that John's week is filled entirely with association activities couldn't be more wrong. "We have three grandchildren. Granddaughter Sophie came to us two days a week until her fourth birthday, and now that she's going to school, she comes for two half days," explains John. "My mother-in-law, who lived next door for 40 years, has been in a care home in Echt since 2018. We go there a lot, especially my wife."

"After trips further afield, including to the United States, China and Mexico, since I retired my wife and I have looked for places to visit closer to home in Turkey, Austria, Poland and World Heritage Sites in Bosnia and Croatia. We cycle and walk a lot together. I also used to walk with friends in the Alps/Dolomites for a week every year and did this for the 25th and final time last year. I went walking for two weeks in the Himalaya with a friend in 2011 to a height of around 5,700 meters in the Mount Everest region. I've walked the Kennedy March seventeen times, thirteen of those with my wife."

About pensions

We asked John if he still wanted to comment on pensions. "I hope that the new national pension agreement is introduced swiftly. This will bring more opportunities for pension increases, but the chances of pension benefit reductions will increase too. Many discussions about pensions are, as you would expect, about the level the pension. People often forget that they will have outgoings when they retire. If you no longer have a mortgage or children studying, the level of your pension is less relevant than if you still have all these obligations. If you want to stop work earlier, it's good to find out all you can about the options, for example the choice of varying the level of your pension in certain periods."

Before we took leave from John, he took us to the museum's cinema, where he showed us a short film about the history of Stevensweert, the 'Eiland in de Maas'. We returned home knowing much more, and with several brochures all about the museum.

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.

2020 payment dates

November 27
December 21

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 2016 onwards.

Stand per end	Coverage ratio	Policy cover degree	Used interest	Efficiency (incl.)
2016	102.8%	98.8%	1.3%	7.6%
2017	110.1%	107.8%	1.5%	5.6%
2018	105.0%	109.3%	1.3%	-1.8%
Q1 2019	105.2%	108.2%	1.1%	5.9%
Q2 2019	101.6%	106.8%	0.8%	8.4%
Q3 2019	97.6%	103.6%	0.4%	12.1%
Q4 2019	104%	102.3%	0.7%	12.7%
Q1 2020	91.2%	99.8%	0.4%	-6.6%
Q2 2020	93.4%	97.0%	0.2%	-1.5%
Q3 2020	96.7%	96.5%	0.2%	0.1%

When making decisions on paying top-ups or making cuts, pension funds must refer to what is called the 'policy funding level'. This funding level is the average of the last twelve monthly funding levels.



Your pension: fact and fiction

If the pensions are not increased, this will have consequences for pensioners.

Everything is getting more expensive. That is why we are trying to ensure that the pension employees have already accrued increases each year. We also call this 'indexation'. If we don't have enough money in one year, indexation is not possible and the pension will lose value. This applies to pensioners, but also to employees.

As long as you are an employee, we aim to increase your accrued pension each year in line with the CLA wage increase percentage. When you have left employment or you have retired, we aim to increase the pension in line with general price rises. Unfortunately, we have been unable to increase pensions since 2012.

A pensioner will notice this missing indexation in their pockets immediately: prices increase but their pension stays the same. Although less tangible for employees the effect is the same: your pension accrual, and therefore what you will ultimately receive in pension, will be worth less without indexation.

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Column by Irene van den Berg

A look at the future

It really bothers me when I hear young people talking despondently about their future, such as a student of Social and Cultural Studies recently stated to het Parool newspaper, "It's really depressing for me that I've worked so hard to build for my future and now everything's ruined." He ran an event agency while studying, but that was just about finished by the coronavirus crisis.

"I've got so many questions: How long will all this last? Should I keep studying or go in a completely different direction? Do I need to keep on hoping that everything will turn out ok? I'm really anxious and stressed", he said. When I studied my questions were mainly about: How long will the bar stay open? Should I take friend x or girlfriend y to the party? And should I keep on hoping that that guy will fall in love with me?

Three-quarters of young adults from 18 to 35 years are suffering from psychological issues as a consequence of the coronavirus crisis. Uncertainty about their home or job, additional work pressure and the lack of contact and distractions are resulting in stress and despondency in this group. And it's very understandable that young people are really worried. The virus is hardly affecting them, but the measures have a much greater impact on them. It's mainly the young who have lost jobs since March.

In such uncertain times, should you also be 'bothering' young people about their pensions? Unfortunately, yes. According to Netherlands Bureau for Economic Policy Analysis (CPB) young people need to really start saving for their retirement. Due to the coronavirus, interest rates will be staying low for now. Older people have already accrued most of their pension assets so they're not suffering as much. But those who are still young and without many savings will be more severely affected.

It's a difficult message. How do you explain to someone in their twenties who is anxious about losing their job in tourism or the cultural sector that they should be thinking about their retirement in some 40 years' time? Many young people are now just about managing and have other things on their minds than looking to the future.

If you want to help young people prepare financially for the future, you need to be aware of their worries and vulnerability right now. We can try to add pension stress to this, but I think that young people would benefit more from a big dose of empathy.

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.