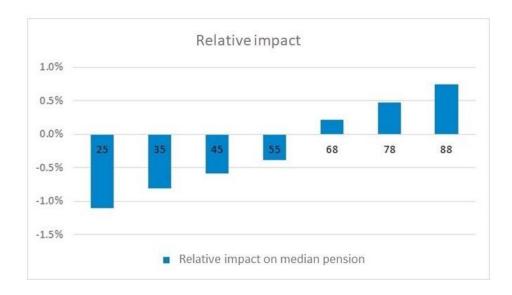


In arriving at its decision on whether or not to index from July 1, 2022, the Board considered how indexation would affect different stakeholders. Indexation has an impact on the distribution of pension fund assets at the fund, since it reduces the assets remaining for members who retire on a pension later in the future.

The graph below shows the effect on the final pension outcome for each group of members of approximately the same age (i.e. are part of the same age cohort). This compares the situation between granting one-off, additional indexation (of 1% for members and 1.64% for former members and pensioners) on July 1, 2022 and not granting indexation. A positive outcome means that an age cohort will be better off, whereas a negative outcome means a member will be worse off.



The chart shows that by increasing pensions now, the older generation will be better off (to a limited extent) at the expense of the younger generation.