

## Frequently asked questions and answers

### 1. What is a pension and how is it structured in the Netherlands?

A pension means that you save money to be able to stop working in your old age. Your pension is made up of three parts. A basic pension that you receive from the government, also called AOW. An employer's pension, which is the pension you accrued during your career through your employer(s). And money that you have saved yourself during your life. In addition, the pension scheme also offers income security in the event of incapacity for work and for the surviving dependents in the event of death. More information about what pension is and how it is built up can be found in this [factsheet](#) (in Dutch) from the Dutch government.

### 2. As an employee in the Netherlands, am I automatically a member of PDN?

Yes. All employees of all affiliated employers in the Netherlands are automatically participants in the Pensioenfonds DSM Nederland (PDN).

### 3. Why do we need a new pension system?

Today's pension system has a number of vulnerabilities. A promise is often made about the size of the pension (defined benefit). The current pension rules are based on this promise, and because of it, high buffers must be maintained. As a result, among other things, almost all pensions have not been increased for years and the earlier promise is not always fulfilled. It also leads to discussions about who is entitled to which part of the collective capital.

In addition, the current pension system is not well suited to the changing labour market. For example, employees are less likely than in the past to stay with the same employer their entire lives, to become self-employed, to have several employers at the same time, or to take sabbaticals. The pension system is still based on the labour market of the past. Our pension system must keep up with the times in order to better facilitate employees.

### 4. What is the biggest change in the pension system?

You build up your pension in the form of a personal pension capital. Through contributions and returns, this capital grows towards the final capital from which you will receive your pension after retirement. This gives you clear insight into the premiums and returns that will be available to you when you retire. The pension will become more volatile, because the capital that has not yet been paid out will also be invested during your retirement. If the economy is doing well, the expected pension or benefit will increase. Is the economy doing poorly? Then it will decrease.

## **5. What do the changes in the pension system mean for pensions at DSM?**

As a result of the changes in the Dutch pension system, the DSM pension scheme will also have to be adjusted. DSM and the trade unions will agree on a new pension scheme that fits in with the new pension system. The other affiliated employers agreed to follow these agreements. Since this involves making important choices that must be properly aligned with the preferences of the members, DSM, the unions and PDN are making thorough preparations, including by conducting a participant survey.

## **6. What do the new pension rules mean for me?**

Pensions will become more transparent and personal. It will become clearer how much money you put in, how much you accumulate in assets, and how much pension you can expect. But your pension will also become more volatile; the benefit will increase when the economy is better and decrease when the economy is worse. It is important to stay well informed. Read this [factsheet](#) (in Dutch) of the Dutch government carefully. It answers the ten most frequently asked questions about the new pension rules.

## **7. What will the survey of participants cover?**

The social partners (DSM Netherlands and the relevant trade unions involved (all other affiliated employers agreed to follow)) have the choice between two types of contracts in the new pension system: 1) the flexible premium scheme, and 2) the solidarity premium scheme. Via the participant survey, it will be investigated which preferences the participants have. It's not that one of the two is "the best scheme." The point is to choose the scheme that best suits the preferences of the participants.

## **8. What does the flexible premium scheme entail?**

Your premium is deposited in a personal pension capital. This money is invested, and you can choose from several investment profiles offered by the pension fund. These profiles differ in the degree of investment risk and expected return. At the time of retirement, you can choose whether you want a fixed (stable) benefit or a variable that moves with the investment results.

## **9. What does the solidary premium scheme entail?**

In the solidary premium scheme, the pension capital of all participants is invested collectively by the pension fund. The returns achieved are allocated based on your age. A limited part of your pension money is set aside in a collective buffer to cushion risks. This allows for (partial) absorption of insufficient investment results and will reduce pension differences between generations.

## **10. What will happen to my existing pension accrual?**

The social partners prefer to transfer existing pensions to the new pension scheme. Together with PDN and the representatives of the pensioners, the social partners will examine how this can be done.

### 11. Do I need to know a lot about pensions to take part in the participant survey?

It's always wise to familiarize yourself with the new pension system and your personal situation. But even if you have no knowledge of pensions, you can still participate in the survey. The questions have been clearly drafted.

### 12. I won't be retiring for several years. Is this relevant to me?

Absolutely. The new pension system has implications for retirees and for working people who are currently building up pensions. It is important to be well informed and involved in your pension accrual at every stage of your career.

### 13. Will I still get enough pension?

What constitutes a sufficient pension varies from person to person and depends greatly on your needs and spending patterns. At [mijnpensioenoverzicht.nl](https://mijnpensioenoverzicht.nl) you can see how much pension you have accrued. The website [nibud.nl](https://nibud.nl) can help you get a grip on your income and expenses. If you log in to the [PDN website](#), you can use the pension planner. It shows the choices you can make when you want to retire and their effects on the amount of your pension.

### 14. Where can I see exactly what I will get and when?

On the [website](#) of the Sociale Verzekeringsbank you can find an overview of the current pension ages and current AOW payments. If you have a DigiD, you can view the amount of your AOW and pension at [mijnpensioenoverzicht.nl](https://mijnpensioenoverzicht.nl).

### 15. Where can I find more information?

Both PDN and the Dutch government have developed a number of documents to keep you well informed about the new pension system.

<a href="https://www.rijksoverheid.nl/onderwerpen/pensioen">Pensioenakkoord   Rijksoverheid.nl</a> (in Dutch)	Website of the Dutch government with information about the new pension system.
<a href="https://www.pdn.nl">Stichting Pensioenfonds PDN</a>	Website of PDN with information about the pension agreement.
<a href="https://www.pensioenfederatie.nl">Pensioenfederatie</a>	The website of the Pensioenfederatie with a series of interactive master classes.
<a href="https://mijnpensioenoverzicht.nl">mijnpensioenoverzicht.nl</a>	Website of the Dutch government where you can see how much pension you have built up so far (DigiD required).

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