

## Decision on supplements in March

According to the recovery plan that PDN has submitted to pensions regulator De Nederlandsche Bank, pensions in payment will not be adjusted to rising prices the next three years. For DSM employees, too, the recovery plan stipulates that no supplements will be granted on pension accrual (back service) for three years.

In its meeting of 30 March the PDN board will review the current situation with respect to supplementation. This will be done on the basis of, for instance, PDN's definitive figures over 2009 (including the funding level as of 31 December 2009), the restrictions imposed by the recovery plan, and PDN's situation at that moment. The consultations about a new collective labour agreement for DSM are another factor playing a role.

## Pension planner available this spring

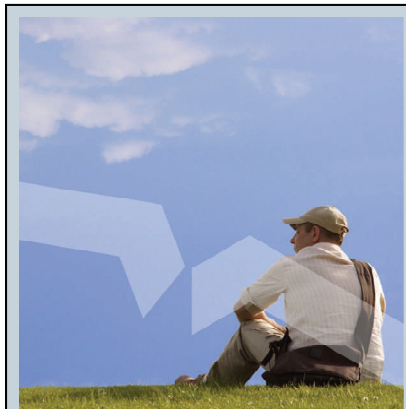


PDN has developed a pension planner. This spring the planner will be made available via PDN's website.

The pension planner is a tool enabling PDN participants to calculate their future pension. It can for instance be used to determine the effects of early retirement or of exchanging the partner's pension for an old-age pension. This planner is meant for PDN participants born after 1949. Their pension situation is presented in the form of a graph as well as in table form and in words. The planner also gives an indication of the net pension to be received.

In December the planner was tested at DSM Biologics Company in Groningen and in February a test will be conducted at DSM Gist Services in Delft. The experience gained in these two tests will be used to further improve the planner.

The definitive roll-out to all DSM companies in the Netherlands will take place once all pension data as of 1 January 2010 have been incorporated into the planner. This will be ready around April 2010.



## Board of Interested Parties

For two years already PDN has had an accountability body, which at PDN is called Board of Interested Parties. Its main task is to review the activities of the PDN board, with special attention being paid to balanced representation of the various interests.

The Board of Interested Parties has nine members. Three of them are appointed by DSM Netherlands and another three by the Central Works Council as representatives of the active employees, while three members are chosen by the pensioners themselves.

More information on this board can be found on the PDN website.

### Contact

For questions about your pension, please visit our website:

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

or contact our Pension Desk:

tel. 045 - 5788100,

email: [info.PDN@dsm.com](mailto:info.PDN@dsm.com).



## Fear of investing is deep-rooted

The Dutch Association of Industry-wide Pension Funds (Dutch abbreviation VB) has commissioned a survey with the aim of gaining insight into what people in Holland feel they know about saving and investing within the Dutch pensions system.

More than two thirds of the Dutch are of the opinion that pension funds should restrict themselves to low-risk investments. Only 29% of the survey participants feel that pension funds can invest in, for instance, shares. Of those surveyed, 61% think that pension funds should be obliged to put the pension capital into a saving account. Responding to the survey, VB director Gerard Riemen says: "If pension funds stop investing, we will all end our days in poverty. If we had put all our money into saving accounts in the past 25 years, pensions would now be 40% lower or premiums 70% higher."

## Supplementation or indexation label

Pension funds grant supplements to adjust pensions to rising prices (inflation). This is also called indexation. If you were to receive the exact same pension every year after retiring, you would find that your buying power had decreased substantially after a couple of years. That is why supplements are granted.

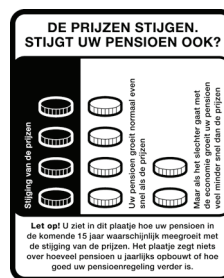
PDN gives supplements only when the financial situation of the fund allows this. What are the chances of supplements being granted in the future? The supplementation label tries to answer this question. As from 2010 pension funds are obliged to use a "supplementation label" in all kinds of communications with their participants.

It is important to know what the label does and does not express. By means of three stacks of coins the label shows to what degree pensions will probably increase with prices in the next 15 years.

### AOW partner supplement abolished in 2015

As from 2015, people over 65 with a younger partner will no longer receive the AOW (partner) supplement. To compensate for setbacks in the national budget it has even been suggested to abolish the supplement for pensioners with a non-working partner younger than 55 already at an earlier date, it being argued that people younger than 55 can still find a job.

About 3,800 (out of 8,500) active DSM employees have a younger partner. Of these, 3,500 were born after 1950, and this group will therefore in any case have to make do without the partner supplement in the state pension (AOW), so that their total pension (AOW + PDN pension) will for some years be lower than it was so far. For more information please go to [De Pensioen kijker](#) and [SVB](#).



(Three examples of what a label may look like)

The left-hand stack shows how prices will probably rise in the next 15 years. If it is expected that a pension fund will increase the pensions at the same rate as prices will rise the coming 15 years, then the second stack will also consist of four coins. If it has fewer coins, the buying power of the pension is expected to decrease in the next 15 years. The third stack of coins shows the situation in financially hard times.

Click [here](#) to read more about the supplementation label.