

Stakeholders' Committee gives favourable verdict on PDN Board

The Stakeholders' Committee (CvB) has given a positive verdict on the PDN Board's performance in 2009. This verdict has been included in PDN's annual statement and annual report. The Committee is of the opinion that the Board acted with due care when handling members' interests. The Board was obliged to act under difficult financial circumstances; for instance, a recovery plan had to be submitted to De Nederlandsche Bank (DNB), the central bank of the Netherlands.

In its verdict, the Committee adds that the Board also ensured that communications with the members and with the CvB itself were satisfactory. Furthermore, the Committee makes recommendations for further improvements in communications with all of the fund's stakeholders.

The Board has given the CvB the opportunity to communicate with stakeholders through this newsletter and the *Pensioencontact* magazine, and the Committee will shortly be able to introduce itself on the PDN website. According to CvB president Jan Barendse, this will enable the Committee to provide all stakeholders with detailed information on the Committee's various activities.

The Committee is delighted that the recovery of the pension fund's coverage ratio has now made it possible to index the pensions by 1% with effect from 1 January 2010, and to grant DSM's active employees 3.5% back service.

You can read the CvB's verdict and the Board's response in PDN's annual report and annual statement.

Gerard Rutten new managing director of DPS



On 1 June, Gerard Rutten (51) will succeed Wil Beckers as managing director of DSM Pension Services (DPS), the organisation that administers the pensions for DSM Nederland Pension Fund (PDN). Until recently, Rutten was managing director of the Stork pension fund. Wil Beckers (60), who has been managing director of DPS since 2003, will continue to work for DSM part-time at Value Assurance Review. For more information on the change of management at DPS, please go to the PDN website.



Uniform Pension Benefits Statement, yearly report and supplements

All members and pensioners receive a communication from the pension fund every spring, and this year is no exception. The pension fund will be sending the Uniform Pension Benefits Statement (UPO) and the Annual Statement to members and pensioners in April and May. Members have also been informed of the Board's resolutions concerning supplements (indexation and back service). The UPO gives an overview of individual pension entitlements and pension rights. The annual statement is a popular version of the official PDN annual report. You will find the annual report as well as the annual statement on the PDN [website](#).

Contact

If you have any questions about your pension, please go to the following website: www.pdnpensioen.nl, or contact our Pension Desk, tel.: +31 (0) 45 5788100, e-mail: info.PDN@dsm.com.



Retiring is more important than money

Dutch people attach so much value to stopping work that they are willing to give up money in exchange. Dutch employees are not at all keen on increasing the official retirement age from 65 to 67. More than half (59%) have said that they would like to retire before this at any rate, even if this means that they will receive less pension, or that they will have to make their own financial arrangements. This has emerged from a [survey](#) conducted by Aon Consulting, in which 7279 employees from 10 European countries - including 752 Dutch employees - were interviewed.

Risks involved in pensions

Pension funds have to take risks when investing money so that they can continue to pay the pensions. PDN has to do this too. The financial crisis has made it clear that pension funds are at risk during an economic downturn. Many pension funds' reserves diminished during the financial crisis, and these funds were unable to pay any supplements (indexation). Now that the financial situation is slightly improving, we can start paying part of the supplements again in 2010. What risks are involved for which people with respect to PDN pensions?

Under the current pension contract between employers and trade unions, DSM has to pay a fixed premium of 21% of the wage and salary bill between 2006 and 2010. This finances the unconditional pension rights. However, the supplements (indexation) to pensions for pensioners and the pension build-up for DSM employees (back service) based on general salary increases are not paid out of this premium. These supplements must be paid out of the returns made by the pension fund by investing its assets.

If these investments are doing well, the financial reserves will increase and the pension fund will have enough money to pay the pensions as well as the supplements.

However, if the investments are not doing well, e.g. in times of financial crisis, the pension fund's reserves will diminish. This may even result in a deficit in the reserves, as was the case in 2008. Due to the five-year fixed premium agreement, deficits at PDN are no longer made up by the employer. This means that in the event of an unfavourable financial situation, there is a risk that the supplements, or part of the supplements, will not be paid to employees and pensioners. If the worst comes to the worst, i.e. if the pension fund is no longer able to make a financial recovery, the pension fund will even have to cut back on all members' built-up pension rights.

PDN pension planner coming soon

PDN will be putting up a pension planner on a protected part of its website at the end of May. Members born after 1949 will be able to access this planner to calculate their own pensions themselves. For example, the planner shows you what effect it will have on your pension if you stop work one year before retirement age. Members will need a password and a login code to use the planner; these will be sent to them shortly by letter.

Members born before 1950 can contact the PDN Pension Desk (tel.: +31-(0)45-5788100) for their personal pension calculations. Once the planner is available, we will also make the annual Uniform Pension Benefits Statement (UPO) digitally available on the website. You will find more information on the pension planner and the digital UPO on the PDN website.

