



Our pension changes
**Questions &
Answers**

About this guide

In this Questions & Answers guide you will find many answers to the questions about the upcoming pension changes in our pension scheme. We have compiled this guide with the greatest care. However, you cannot derive any rights from it. You can only derive rights from the pension regulations applicable to you.

1. Pension in the Netherlands

1. What is the Dutch pension system like?

The Dutch pension system consists of three pillars. The first pillar is the state pension, the AOW. The AOW is paid for by the government. The second pillar is the supplementary pension that you build up with an employer, such as the pension at Pensioenfondsen PGB. You accrue this during your working life. The third pillar is any voluntary pension you arrange yourself, such as an annuity or life insurance. In addition to these three pillars, there is also an unofficial fourth pillar which includes saving through a non-tax way. For example, a savings account, shares or bonds.

2. What is the difference between the AOW and the pension at Pensioenfondsen PGB?

The AOW is the basic state pension (the first pillar) you will receive if you have lived or worked in the Netherlands. For every year you have lived or worked in the Netherlands, you will receive 2% AOW. You will not receive AOW until you reach the AOW pensionable age. This AOW age depends on your date of birth and is therefore different for everyone. The AOW benefits of current AOW pensioners are paid from taxes and social insurance contributions which, in turn, are

paid by current employees. This is also known as the 'pay-as-you-go pension system'. This is different from the supplementary pension you build up with your employer in which you save up for your own pension. This pension forms the so-called 'second pillar'.

3. Will the AOW change as well?

The Future Pensions Act (Wtp) also changes something in the state pension age; namely, the state pension age will rise less rapidly. There are currently no known plans from the government to change the state pension further in the future. Moreover, the accrual of supplementary pensions with employers take into account the fact that there is a basic state pension; in fact, you don't accrue a pension on the first part of your income. But the state pension is under pressure because there will be less working people in the future who can pay the contributions for the state pension. While the group of elderly people who are entitled to a AOW benefit is growing every year.

4. Why should our pension scheme be changed?

Many employees in the Netherlands build up a pension in a benefit scheme: a scheme where the amount of the pension is set in advance with a certain degree of certainty. In recent years, that certainty proved limited: pensions did not always rise with inflation and were sometimes even cut. As a result, the purchasing power of those pensions reduced. In that case you can buy less with your pension. This resulted in less trust in the current pension system. The system also does not sufficiently match developments in the labour market: people are changing jobs more often and there are many flex workers and self-employed people without employees (zzp'ers).

Under the current pension scheme, younger employees get as much pension for their contributions as older ones. But a young person's euro has more time to become worth more until retirement than an older person's euro. Actually, a younger person's contribution should then be slightly lower. If someone builds up a pension with a pension fund all his life, he automatically compensates the disadvantage of his younger years with an advantage when he gets older. This is no longer possible once the pension is transferred to the new rules.

Finally, it is not clear to many people how they accrue pension. The reform envisioned by the government should lead to a more future-proof pension system that is better suited to the developments in society and the labour market, makes

pensions more transparent and individual and gives a greater chance of a pension that remains on a certain level for all generations.

5. What can I do to increase my income after retirement?

On top of the state pension and the pension you accrue through Van Oord, you can provide additional pension yourself. For example, with an annuity insurance policy or by saving.

2. The Future Pensions Act

1. Who will be affected by the new pension law?

The new pension system applies to everyone who accrues a pension in Netherlands. Under the new law, all companies and/or sectors in the Netherlands have to adjust their pension schemes. This affects everyone who is currently a participant in a pension scheme. That includes all employees, but also those who have already retired and former colleagues who have not yet retired (the so-called 'deferred members').

A key principle of the new law is that accrued pensions are converted into the new system. This is referred to as 'invaren'. In the new system there will no longer be an accrued pension but an built-up pension capital (a personal pension pot). The already accrued pensions in the current scheme will become part of your personal pension pot. An advantage of conversion is that the buffers of Pensioenfondsen PGB can be distributed among the participants. This is expected to improve your pension at the start of the new scheme.

How much can be distributed with all participants will depend on many factors, including Pensioenfondsen PGB's

coverage ratio at the time of the transition. Unfortunately we can't tell you much about that yet. For each participant, the consequences will be mapped out soon. You will then receive a clear overview showing what your pension would be under the current scheme and what your pension is expected to be in the new pension plan.

2. What do all these changes mean for our pension scheme?

For employees, the new pension system no longer promises a certain pension benefit. There will be a new system that has only one type of pension scheme: the premium scheme. In such a scheme, each member builds up a pension capital in their own pension pot. Only a premium is promised by the employer. That premium will be invested. The outcome of those investments is therefore uncertain in advance.

Every employee will receive the same premium percentage and will have their own pension pot. So it will more transparent. No more promises of benefits, but everyone will have their own pension pot and an indication of the pension they will receive.

The new law offers two options for the new pension scheme: the flexible premium scheme and the solidarity-based premium scheme. There are many similarities between the two options but the flexible premium scheme offers more individual freedom of choice and is more transparent, while the solidarity premium scheme has more mandatory elements of collectivity but has less freedom of choice than the flexible premium scheme.

In our case, for the staff employees the flexible contribution scheme was chosen by Van Oord in cooperation with the works council. For the employees in the fleet, a solidarity-based premium scheme was chosen. Because future pension must be accrued in a premium scheme, it is no longer possible to continue to promise a pension accrual as we currently do at Pensioenfond PGB. Participation in the current scheme will therefore be terminated as a result of the new law. Everyone will automatically start participating in a premium scheme.

3. How does a personal pension pot work?

As long as you work, a premium is paid into your 'personal pension pot' every month. So as you work longer, you will deposit premiums. These premiums are then invested by the pension fund, with returns being credited directly to your pension pot. The total of all premiums paid and the returns made on them form the pension capital. The pension capital on the retirement date then determines the amount of your

benefit. The amount in your pension pot will define the level of your monthly pension benefit. Even after the retirement date your pension pot continues to be invested. So the pension benefit moves in line with market developments. The pension fund has a certain degree of protection by spreading the investment results over a five-year period. In these situations, the pensions generally do not have to be reduced. If you receive a pension from the staff scheme and you do not want your pension to continue to be invested after retirement, you can opt for a fixed pension benefit.

If you pass away before retirement, your accrued pension capital will lapse to the pension fund, just as it does now. However, your surviving relatives (partner and any children) will be entitled to a partner's and orphan's pension.

4. What happens to pensions already accrued?

A key principle in the new pension law is that accrued pensions are converted to the new system. This is called 'invaren'. Those accrued pensions then become part of your personal pension pot in the new scheme. When the pensions are converted, the pension reserves (the buffers) are released that are held by Pensioenfond PGB. These buffers can then be shared with all participants of Pensioenfond PGB. This can be done by adding part of the buffers to the individual pension pots of the various participants.

5. So the risk will shift to the employees?

A premium scheme involves an individual pension pot that moves with investment results. Such a premium scheme will soon apply to everyone. In a premium scheme, only a pension contribution will be promised and there will be no promises made about an outcome. In this sense, the risk shifts from the employer to the employee. That risk can be both positive and negative. In case of good investment returns, those positives fully benefit the employees. Currently, indexation often does not exceed price inflation. But negative results will also affect the accrued pension capital in such a premium scheme. Thereby, Pensioenfonds PGB has several mechanisms to limit the risk in the benefit phase.

6. In a premium scheme, do you run the risk of soon lose all the money and therefore have no pension?

You don't need to be an investment expert for the new scheme; the premium is automatically invested for you. The investments are based on your age; as you get older, your investments are automatically less risky. Periodically you will receive a statement with the development of your pension capital. So all kinds of measures are taken to risks. Although there are no guarantees about the outcome of your pension, you won't lose all your money just like that.

7. If the pension moves more with the market, will I notice that every month?

After retirement, your pension benefit may vary from year to year. By spreading the investment results over a period of 5 years, Pensioenfonds PGB tries to prevent a reduction of your pension benefit. After retirement, you can also opt for a fixed pension benefit (only for staff employees).

8. Will the risk also be shifted to pensioners and deferred members?

The risk will also shift for pensioners and deferred members when the pensions are converted. Under the new system, pensions will move more in line with investment results. If the economy is doing well, pensions can be increased more quickly. Currently that increase is often capped at price indexation. But pensions can also go down when the economy goes bad. Various mechanisms can be built in by the pension fund to mitigate that risk. For instance, in the solidarity-based premium scheme (for the fleet) there is an extra buffer, the solidarity reserve, to absorb any possible setbacks.



3. Pension at Van Oord

1. What does the flexible premium scheme entail in short?

The flexible contribution scheme is a premium scheme where each member has his/her own pension pot. The pension in the pension pot is invested but you have the opportunity to take more or less risk with your investments yourself. You can then choose a different investment profile (a Life-cycle). At Van Oord, the flexible contribution scheme will apply to staff employees.

2. What does the solidarity-based premium scheme entail in short?

In the solidarity-based premium scheme, the risks are shared collectively and the level of the pension is more stable. This is achieved through a solidarity reserve. Part of the return is used to protect accrued pensions and the pensions of pensioners. The rest of the return is shared based on the incurred investment risk. At Van Oord, the solidarity-based premium scheme will apply to fleet employees.

3. What remains the same?

Pensioenfonds PGB provides for your income after retirement: your pension. You will receive this pension for as long as you live. That is currently the case, but this will also apply in the future. And if you are unable to work as a result of disability, your pension accrual will continue. If you pass away, before or after retirement? Then your partner will receive a partner's pension from Pensioenfonds PGB. Your children will receive an orphan's pension. Within the flexible premium scheme, your pension pot is invested for you. You do not have the option to make your own investment choices but you can choose a different investment profile (also called a 'Lifecycle') in which you can take more or less risk. In addition, as you can do now, you can choose the age from which you want to receive the pension and you can make certain choices at retirement.

4. What will change?

Currently, you accrue a certain amount of pension every year. In the future, you will build up your own pension capital – also known as a 'pension pot'. This capital consists of premiums paid in by you and Van Oord and of

investment returns. The premiums will be invested based on your age. This means that for young people, more risk is taken because they still have a longer time to accrue a pension. The closer you get to your retirement age, the less risk is taken. If you want to take less or more risk then you can choose a different investment profile in the flexible premium scheme (the staf scheme).

5. What will be the level of the premium in the new scheme?

The total pension contribution will remain at the same level. This also applies to the individual employee contributions.

6. Will certain members be compensated for the transition to the new scheme?

No, there will be no compensation. Van Oord and the works council have concluded based on extensive calculations and analyses that employees will not lose out under the expected scenario.

7. Who were involved in the changes to our pension scheme?

Within Van Oord, there is a pension committee which, with support from an external actuary, advises the Executive Committee on pension issues. In the pension committee also

the works council is represented. In various consultations the impact of the new law for the existing pension scheme was discussed and extensive analyses were made. This led to the conclusion that the flexible contribution scheme was seen as the scheme best suited to Van Oord's employees. All agreements are described in the transition plan.

8. Are the total assets of Pensioenfond's PGB distributed fairly?

The government has set rules on how the pension should be distributed so that the distribution is as fair as possible for all groups. On this [government website](#), the government explains exactly how this works in practice. Pensioenfond's PGB will follow these rules. The Dutch Central Bank (DNB) also supervises this.

9. What does the survivor's pension look like?

In the new scheme, there is not only a pension for you, but also a benefit for your partner when you pass away: the partner's pension. This is already the case now, but the rules are going to change. If you pass away while you are still working at Van Oord (i.e. before you retire), your potential partner will receive a lifelong benefit. For the staf this is a benefit of 35% of your pensionable income, for the fleet this is 50%. The orphan's pension is paid until your children, if

any, turn 25. In the new pension plan you will not accrue a separate partner's pension, just as we currently don't do. Instead, it will be insured through an insurance. This means that if you leave Van Oord this insurance ends automatically.

10. Would it be a good idea to retire before the new scheme is introduced?

The longer you work the more pension you accrue. If the pensions are converted then this will also apply not only to your already accrued pension but also to all the pensions that are already paid out. Retiring earlier will not change that. There may possibly be other reasons for you to retire earlier. If you would like to discuss this possibility, please contact the service desk of Pensioenfondsb PGB.

11. How will I retire later?

When you retire, you will receive an AOW benefit from the government from the moment you reach your state pension age and on top of that a supplementary pension from the pension fund. In principle, the pension will continue to be invested after your retirement. If you do not want that, and you are now participating in the flexible premium scheme, you can choose to buy a guaranteed pension (a fixed pension). If you participate in the solidarity premium scheme, then you don't have that choice.

This is how you retire in the new scheme:

- You decide your retirement date and whether you want to receive a variable or a fixed pension. If you make no choice then the pension will be continue to be invested (a variable pension).
- From your accumulated pension pot, you will receive a monthly pension benefit.

If you opt for a variable pension, your pension will continue to move in line with the economy. It is expected that a variable pension will lead to a higher pension compared to a fixed pension. If you choose a fixed pension, then you buy a fixed pension benefit. That pension is guaranteed and will no longer increase or decrease. It gives you security but the downside is that the pension also no longer grows to compensate for price increases. In that case your pension will lose value as inflation is not compensated.

12. Which principles were used for the design of the new pension scheme?

In designing the new pension scheme, Van Oord and the works council used the following principles, among others:

- employees should not lose out in the new pension scheme in the expected scenario;
- pensioners' pensions should not decrease at the time of transition in the expected scenario;
- proper death coverage remains important.

13. Do the pensions of the current pensioners and former colleagues also have to be adjusted?

The new pension legislation affects not only the employees but also the pensioners and former employees (known as deferred members). This is unusual; usually legal changes only apply to the future, but the new pension legislation also affects the pensions of deferred members. It is not allowed to distinguish between the different types of participants. So if the pensions are converted, then the pensions of pensioners and deferred members will also be affected.

14. Why was it chosen to take accrued pensions with the new pension scheme?

- The new law states the principle that the pensions in the current pension scheme should be converted into the new pension scheme.
- Based on the calculations, it is expected that most pensions will be higher if the pensions are converted compared to if the pensions are left in the current scheme.
- Administrating one pension scheme is more cost efficient than running two schemes.
- It is clearer and more understandable for you that you will soon be able to see all at once what you have accrued with the pension fund.

15. When will I get an insight into exactly what this will mean to me?

The new pension scheme is expected to be implemented from 1 January 2027. Several months before the transition, you will receive a personal pension overview from Pensioenfond PGB in which you can see what the change means for you in general. The amounts in that overview are based on estimates. A few months after the transition, you will receive

ve your final pension statement. You will then see the amount of your pension pot at the start of the new scheme.

16. Should I do anything right now?

No, at the moment you don't have to do anything yet. However, it is important to read the information about your new pension scheme. After all, in a few weeks we will ask you to agree to the new pension scheme. In the course of 2026, Pensioenfonds PGB will inform you about the impact of the pension changes on your personal situation.



