

Newsletter

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CURRENT DEVELOPMENTS

The pension fund Board is shocked by Russia's invasion of Ukraine. Our thoughts are with those affected by this war. The war has had a huge impact on Europe and the world. Via the Emerging Markets fund, the Witteveen+Bos pension fund has several shares in Russian companies. This is a small proportion of our total investment portfolio; around 0.1%. Our fund manager, Vanguard, reported that these shares were removed from our investment portfolio in early March 2022.

Pension scheme reform

Pension accrual has decreased in recent years as a result of falling interest rates. This is partly why the Witteveen+Bos Board of Directors and Works Council together decided to invest in a better pension for employees, as well as being the reason for the pension fund Board to change the contribution policy.

How your pension changed as of 1 January 2022:

- you will accrue pension over a larger proportion of your salary. The franchise (the part of your salary over which accrue no pension) will be reduced from EUR 22,093.00 to EUR 17,000.00. This increases the base for calculating your pension (the pension base);
- as you will accrue pension over a larger proportion of your salary, you will pay a somewhat higher contribution to your pension each month. You will already have noticed this on your pay slip;
- Witteveen+Bos will also pay higher contributions to your pension and will also pay a relatively higher proportion of the total contribution to your pension;
- over the proportion of your salary over which you accrue pension, you will accrue more pension: for 2022 the accrual rate is 1.41% (in 2021 this was 1.275%).

- The accrual rate will remain approximately the same in the coming years. The accrual rate will only be reduced if there is a considerable fall in interest rates. This is to prevent the coverage ratio from falling too much due to contributions being too low.

If you want to know more about this, visit pensioenfondswitteveenbos.nl, where you will be able to see an [example calculation](#) as well as calculate your personal situation. You can also find the new 2022 pension regulations [here](#).

Pension agreement: en route to a new pension system

You may already have read or heard that the Dutch pension system is changing. The proposed changes are far-reaching, for the Witteveen+Bos pension fund too. The cabinet agreed the following important starting points for the new pension system together with employee and employer organisations:

- pensions will become more individual as you save in your own pension pot;
- the achieved returns will no longer be hoarded as they are now, but will be used to increase your pension. However, your pension will cut more quickly if results are poor.

The transition to the new pension system is a long process that will take place in the coming four to six years. The new pension system will not come into effect earlier than 2026. Of course, this demands good preparation. A steering committee, comprising representatives from the Board of Directors, the Works Council and the pension fund Board started work on the initial preparations last year. We need to make the first provisional choices this year and will keep you informed of this. You can find more information about the new pension scheme on a [separate page](#) on the pension fund website. We would also like your input, as the choices we make need to be the right ones for Witteveen+Bos members.

What is our position right now?

At the end of December 2021, our fund was in a better position than the year before, as is clear from the current coverage ratio. This increased over the past year from 96.8% to 106.4%. The coverage ratio on which the policy is based (the average of the past 12 months) increased from 91.3% to 102.6%.

The coverage ratio increased due to increasing interest rates and positive returns on shares. When interest rates increase, our fund needs less money to pay all the pensions, now and in the future. The increase in interest rates did result in a fall in the value of bonds, however, but this loss was compensated by positive returns on mortgages and shares.

You can view the developments in our financial situation on our [website](#). You can also read more background information here, as well as details on our financial position and coverage ratios.

Increase current coverage ratio 2021



Increase coverage ratio (policy based) 2021



Are we financially healthy?

Our fund is financial healthy if the coverage ratio is higher than 124%; a situation we have not reached so far. We are, therefore, obliged by law to produce a recovery plan. We use the recovery plan calculations to decide whether we need to reduce the pensions.

The coverage ratio increase over the past year means that we do not need to reduce pensions this year. We are as yet unable to say whether this will continue in the coming years. We decide whether pensions need to be reduced at the end of each year. The likelihood remains that we will have to reduce pensions in 2023 or in the following years. If you would like to know more about the recovery plan, [click here](#).

As the coverage ratio was lower than 124% at the end of 2021, we cannot increase pensions in 2022. We also expect that we will be unable to increase pensions in the coming years.



Pension fund Board changes

Nick Schoen was appointed to the pension fund Board on 14 February. Nick is the employer representative and once he has followed the required training courses, De Nederlandsche Bank has indicated that it will approve his appointment. The Board now has a greater diversity in age ranges. [Nick](#) introduces himself personally on the pension fund website.

As well as Nick's appointment, there are two further pension fund Board changes:

- **Ids de Beer** (Board member since 2013) was reappointed as secretary;
- **Peter Hiemstra** (Board member since 2005) has decided to end his Board membership. The Board would like to thank Peter for all his hard work and commitment to the pension fund over the past 17 years.

The Witteveen+Bos pension fund Board now comprises the following people:

- **Jaap de Koning**, chairperson (employer board member);
- **Ids de Beer**, secretary (employee board member);
- **Loewie Steens**, member (employee board member);
- **Steven Delfgaauw**, member (employer board member);
- **Nick Schoen**, member (employer board member).

There is a vacancy for a Board member representing the pension beneficiaries. A vacancy for this position will be sent directly to them.



Board member Nick Schoen

Call for focus group

The steering committee that is preparing the transition to the new system would like to involve fund members in this process, which is why we are establishing a focus group comprising people who are currently working (or have previously worked) at Witteveen+Bos. The steering committee wants to be able to approach the focus group occasionally to discuss the choices that need to be made. We are seeking people with the following profile:

- working at Witteveen+Bos or retired with a Witteveen+Bos pension;
- prepared to make several hours available a few times a year to:
 - attend an in-person meeting to discuss various issues;
 - complete a survey;
 - answer various questions in an online meeting;
- knowledge of the pension system is not a requirement.

We do not want a very large focus group and are seeking a good reflection of our fund members (a mix of young/old, male/female, different salary grades, etc.).

If you would like to be actively involved in a topic that is perhaps far from your mind right now but will become increasingly important to you in time, don't hesitate to register by sending an e-mail to: secretariaatpensioenfonds@witteveenbos.com. You will receive a response about your participation in the focus group as quickly as possible. If you have any questions, please contact the process facilitator Paul Canisius, via paul.canisius@witteveenbos.com

Member survey

Results

Last year, the pension fund asked Ipsos to conduct a member survey to gain insight into member preparedness to run risks with their pension investments. A total of 628 members took part in the survey. Participation among the people who currently work at Witteveen+Bos (the actives), was highest at 46%. In the next survey, we would also like to increase participation among former Witteveen+Bos employees who now have another job/employer (the sleepers) and those already receiving their pension payments (the retired employees).

We would like to present an impression of the results of the survey below, in various topic categories.

What do members think of taking risks?

- The members who are currently working (both the active members as well as the sleepers) want to take more risks with their pension investments than retired employees. Younger members also have a higher risk appetite than older members;
- Most participants find it important that their pension increases in line with purchasing power, even if this means that the pension is lower at the start;
- If pensions were to be disappointing, over 90% of members indicated that they would have to/want to take measures themselves to make up the difference. The measures mentioned most often were spending less money, saving extra themselves/using savings or investing themselves;
- Almost all members depend on the pension they are currently accruing at Witteveen+Bos.

The results of this part of the survey are extremely useful in determining the risk appetite.

Roughly translated this means: how high does the pension fund investment portfolio risk need to be to match what members really want? We will consider the results of the survey when determining the fund's risk appetite for the new pension scheme.

Socially responsible investment

Two in three members find it important that the pension fund invests in a socially responsible way, even if this results in lower returns. One in ten members thinks the returns are more important. Around a quarter of respondents had no opinion on this.

In general, 'not investing in companies that have a negative impact' was seen to be more important than 'investing in companies with a positive impact'. The topics mentioned most often were not investing in companies that:

- use child labour;
- have a negative environmental impact;
- violate human rights.

The two most important Sustainable Development Goals that should be taken into account for socially responsible investing are 'life on land' and 'climate action'. This largely concurs with the most frequently mentioned sectors in which investments must not be made: weapons industry, deforestation, tobacco industry and the coal industry.

Socially responsible investment is a pension fund focal point this year. We will use the results of the survey to examine whether we can adapt the investment portfolio. We need to weigh up all the interests to make the right choices and will inform you if the policy changes.

Solidarity among members is high

For instance:

- over 80% of people currently working at Witteveen+Bos consider it important that we accrue pension together in a joint fund. This could be together with colleagues or in a bigger collective;
- three-quarters of members think that if pensions need to be reduced, the pain should be shared among all members.

Pension: complex?

We also noticed that pensions are a complex topic for many members. It is important that you check the pension you are accruing regularly and are aware of the level of pension you can expect when you retire. That's why we will be working hard in the coming period to increase pension awareness.

If you're curious about the results of the member survey, you can request the survey report via:

secretariaatpensioenfondsen@witteveenbos.com