



## A personal pension overview in three steps

**Do you think about your pension once in a while? How much pension have you already accrued, and do you know how much you actually need? You will receive your annual pension statement from the IFF Pension Fund in April. A good moment to take a look at your plan for your financial future. Don't know where to start? Then use these quick and easy steps.**

### Step 1: What will I have later?

Check your pension statement to see how much pension you will receive from the IFF Pension Fund when you reach retirement age. Then go to the website [mijnpensioenoverzicht.nl](http://mijnpensioenoverzicht.nl) (using your DigiD to log in) and see whether you will receive a pension from another employer or from LifeSight. The old age pension (AOW) you will receive from the government is also shown on [www.mijnpensioenoverzicht.nl](http://www.mijnpensioenoverzicht.nl). Will you have other income when you retire? Or do you have savings? Add all these together, and you will have an idea of what you will have when you retire.

### Step 2: What do I need later?

If you are still young, it will of course be difficult to predict what you will need later on, but there are a couple of things you can consider. Will you still be living in the same house that you live in now, and what is the situation with the mortgage? What are your fixed costs? Do you have a car? Do you have a partner, and do they have their own income and pension?

### Step 3: Your financial future plan

Compare your income and expenses in steps 1 and 2. Are you on track, or perhaps you need to make some additional arrangements for your retirement? Then also look at the options in your pension scheme. You could for instance decide to take a higher pension in the initial years and a lower pension later on. You can also exchange partner's pension for retirement pension and vice versa. A list of options is provided at [www.iffpensioenfond.nl](http://www.iffpensioenfond.nl) under Pensioen 123 and 'What are my options?'

## Pension Update

April  
2019

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# IFF raises pensions by 1.24% this year

**At the end of every year, we look to see whether the financial position of the pension fund is strong enough to fully or partially index the pensions. Due to our healthy funding ratio, we can apply an indexation of 1.24% this year. Both the accrued pensions of active members and the pension benefits of pensioners have been increased by this percentage with effect from 1 January 2019.**

## **The aim of indexation is to increase pensions in line with the development of prices**

Used is the price index figure calculated by Statistics Netherlands (CBS). CBS looks at the development of prices of various products and services used by Dutch households for consumption. Prices increased by 1.68 in 2018.

## **Rules apply to the allocation of indexation**

While the fund would prefer to always adjust pensions in line with the increase in prices, there are rules that apply to whether it can do this or not. The fund is not permitted to apply indexation if the funding ratio is less than 110%. With a funding ratio between 110% and 124.1%, the fund may apply partial indexation. With a funding ratio of more than 124.1%, the fund may apply full indexation and also make up for any indexation missed in previous years.

In addition to the statutory provisions, the fund aims to apply at least 80% of the development of the price index figure over a longer period. There is a cap on the amount of indexation that can be applied, which is 4%. This is set by the fund itself.

## **The funding ratio at the end of December was 119.5%, so partial indexation is possible**

The price index figure increased by 1.68% last year. Since the fund may only apply partial indexation, the final percentage is set at 1.24%. This means that you will miss a part of the indexation. In previous years it has frequently been the case that the fund could apply only partial indexation, meaning that there is an indexation backlog.

If the funding ratio increases to more than 124.1%, the fund can also compensate for this indexation missed in previous years. Further information on indexation is provided at [www.iffpensioenfonds.nl](http://www.iffpensioenfonds.nl), as well as an overview of the indexation missed in the past 10 years.



Funding ratio	Pensions
<110%	No indexation
110%-124.1%	Partial indexation
>124.1%	Full indexation + compensation for indexation missed

# Effect of Koolmees plans on the IFF pension scheme not yet clear

**In his letter on pensions to the House of Representatives, Minister Koolmees of Social Affairs made it clear that he intends to persevere with changes to the pension system. There are new plans in addition to a number of items already included in the coalition agreement.**

Among other things, the Minister wants to see more flexible pension schemes, individual pension savings and more attention to self-employed persons without employees and other groups who are not currently accruing a pension.

## **No legislation at this stage, only plans**

Before the plans are enshrined in law, there will be further study and they will have to be put to the House of Representatives and the Senate. The Minister also intends to consult with employers and trade unions regarding the plans. The unions have criticised the Minister's approach.

## **We will keep you updated**

The IFF Pension Fund board is monitoring developments closely, of course with a view to assessing any effects of future legislation on your pension scheme. Currently, this is not yet clear.

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## Your story in the Pension Update

Do you have a story to tell about your pension, and would you like to share it with your colleagues? Would you like to tell us what pension means to you? Or do you have a question for the pension fund that we can answer in the next issue of Pension Update? Send an email to [pensioenfond@iff.com](mailto:pensioenfond@iff.com) and see your story appear in the next Pension Update!

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## Would you like to accompany the board? Then apply as a candidate board member!

Two new candidate board members were recently added to the board: Bert Lonterman and Jos Stelder. Profiles of both these gentlemen were presented in the previous Update. Candidate board members accompany the board and thus acquire knowledge and experience before starting to work as board members. Both Bert and Jos have worked at IFF for a long time and know the company well. They now do the basic training for pension fund board members.

If you are interested in accompanying the pension fund board, get in touch via [pensioenfond@iff.com](mailto:pensioenfond@iff.com). We are particularly keen to invite people to represent the younger age group. The board strives to achieve the greatest possible diversity and is keen to involve younger members in the fund.





## Questions and answers on the fund's investments

# Why do we invest?

The pension fund invests its capital to generate a return so that we can continue to pay the pensions, both now and in the future. Holding money in a savings account does not generate a sufficient return. Investment involves risks. The pension fund carefully identifies and assesses these risks.

### How are the investments allocated?

The investments are spread across several categories. Most of the portfolio (70%) is in fixed-income securities (bonds), with smaller proportions in equities (15%) and real estate (15%). There are further allocations within these categories, for example across various countries and types of business. This means we diversify the risks as far as possible.

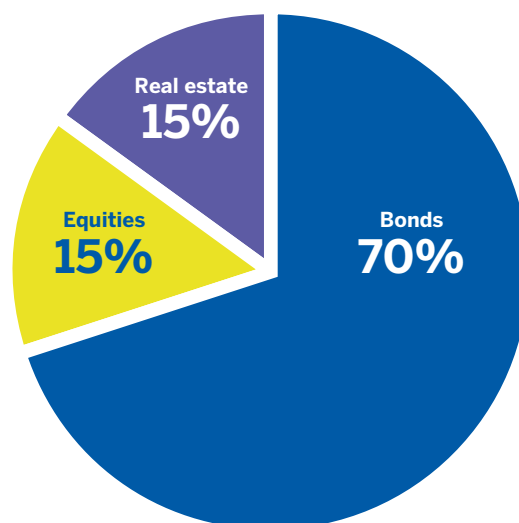
### Who decides how we invest?

The pension fund board decides how we invest. The investment advisory committee (IAC) advises the board on investment policy. The IAC includes a number of board members, a number of scheme members and also an external adviser.

An Asset & Liability Management (ALM) study is carried out once every three years. This study calculates thousands of economic scenarios with various investment mixes, to see which investment mix delivers the best result. The study aims to align the pension fund's investment policy as closely as possible with the fund's liabilities, which are the pensions that have to be paid both now and in the future.

The investments are implemented by external asset managers. Robeco and M&G for bonds, Northern Trust for equities and CBRE and M&G for real estate.

## Strategic investment mix IFF Pension Fund



## Questions about your pension?

Contact the Pension Service department on 020 4266 360 or by email to [iffpensioenfonds@blueskygroup.nl](mailto:iffpensioenfonds@blueskygroup.nl). More information on your pension is available at [www.iffpensioenfonds.nl](http://www.iffpensioenfonds.nl).

### Colophon

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IFF Pension Fund  
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