



To:

Uw kenmerk:

Behandeld door:
FD

Ons kenmerk:
NPF/FD

Phone directly:
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Rotterdam, December 2022

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Dutch version?

See: <https://nedlloydpensioenfonds.nl/meer-informatie/documenten/>

Subject: Pension indexation from 2023

Dear participant of the Nedlloyd Pension Fund,

We have good news. As of 1 January 2023, we will increase all pensions by the maximum percentage we are allowed to give of 13.9%. This applies to both the pension benefits received by our current pensioners, and to the pensions that all (former) employees have accrued at Nedlloyd Pension Fund. The financial position of our pension fund makes this increase in your pension possible.

Increasing your pension is important

After all, prices have also risen this year. This year the price increase was 14.5%. If the pension rises in line with the prices, your pension will remain stable in value. You can read more about the increase in your pension in the appendix.

For pensioners, something else changes as well

Are you already receiving a pension from Nedlloyd Pension Fund? If this is the case, despite the increase in your gross pension benefit, you may see a net reduction in your pension. This is due to changes in the Healthcare Act contribution and changes in the 2023 Tax Plan. You can read more about this in your benefit specification, which you will receive at the end of January 2023.

Happy holidays and a healthy 2023

On behalf of the board and employees of Nedlloyd Pensioenfond, we wish you and all who are dear to you happy holidays and a prosperous and, above all, healthy 2023.

Sincerely,

STICHTING NEDLLOYD PENSIOENFONDS

Drs. F.T.E. Dooren

Uitvoerend bestuurder/ CEO

Appendix

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Appendix

This appendix explains the increase of pensions. This explanation is officially called 'the indexation decision 2023' of Nedlloyd Pensioenfond (NPF).

Conditional indexation capped at the general price index

Pension funds call the increase in pensions 'supplements' or 'indexation'. NPF has a conditional indexation policy. The supplements are conditional as there is no automatic right to an increase in pensions. No reserve has been created for this indexation and no premium was paid for it. NPF pays these increases out of the return on investment. The pensions can therefore only be increased if our pension fund has achieved good financial results.

Every year the board decides on indexation

This decision is based on:

- the financial position and financial results of NPF.
- the increase in prices in the period September 2021 - September 2022. During this period prices in the Netherlands rose by an average of 14.5%.
- the legally required (calculation) rules for indexation. One of those rules is that indexation is only permitted if the so-called 'policy funding ratio' of a pension fund is higher than 110%. This policy funding ratio is the benchmark for the financial health of the pension fund. For NPF, the policy funding ratio at the end of September is used. The policy funding ratio at the end of September 2022 was 133.6%. This means that indexation on 1 January 2023 is legally permitted, as it is above 110%.
- The availability of sufficient capital. Sufficient capital must be available in order to be able to also realise the expected price inflation in the future as supplements.

Based on the above, the board decides whether the pensions can be increased and by what percentage. The Board was able to decide in December to grant 13.9% as a supplement. Based on current legislation and regulations, this is the maximum percentage that the board may decide to use.

Indexation as of 1 January 2023

The indexation will take place on 1 January 2023 and will be granted on accrued pensions and pensions already in payment. The calculations are based on the level of these pensions as at 31 December 2022. Previous increases and forecasts for the coming years do not offer an automatic right to increases in the future. Unfortunately, a possible future discount can also never be ruled out. Our expectation is that we will not have to reduce your pension in the coming years.

Indexation

Whether you will be able to purchase the same with your pension in the future as you would today, depends on the pension increase and the increase in prices. Your pension does not always increase with prices. This is our ambition. The prices and the pension accrued have changed as follows:

	Increase pension	Rise in prices period Sept-Sept*
1-1-2023	13.90%	14.50%
1-1-2022	2.70%	2.70%
1-1-2021	0.75%	1.10%
1-1-2020	2.00%	2.60%
1-1-2019	1.90%	1.90%
1-1-2018	1.35%	1.50%
1-1-2017	0.05%	0.10%
1-1-2016	0.35%	0.70%

*Source: CBS

To stay informed?

We will keep you informed on developments at NPF via our website (www.nedlloydpensioenfonds.nl) and our magazine (*Nedlloyd PensioenKrant*).