Summary Transition Plan
The Future Pensions Act

February 2025

stichting pensioenfonds
Provisum

Introduction

There is a new law: the Future Pensions Act. It contains new rules for pensions. Pension funds must therefore adjust their pension scheme. The aim is to implement your new pension scheme at Provisum on January 1, 2026. With the new pension scheme, we comply with the new rules in the Pension Act. If you have accrued pension at Provisum on January 1, 2026, or if you receive a pension, your pension will be transferred to the new pension scheme at that moment. The old scheme will then stop.

The employers and works councils (together the Social Partners) have held extensive discussions about the new pension scheme. The agreements have been documented in the Transition Plan. The board of Provisum must formally accept the assignment to implement the new pension scheme. This also includes the transfer of accrued pensions to the new pension scheme (transition).

In this summary, we (Provisum) provide an overview of what your new pension scheme will look like. It is still too early to inform you about the amount of your pension under the new scheme. You will receive a preliminary estimate in November 2025, followed by a final statement in 2026.

This is a summary. The full Transition Plan is available on our website (in Dutch).

What remains the same?

Not everything will change. Many aspects of the old pension system remain intact, such as:

- You will continue to accrue pension with Provisum. Your pensionable salary remains the basis for calculating the premium.
- The entry age remains 18 years, and the retirement age (67 years) remains unchanged.
- You will receive a pension for as long as you live, even if you reach 120 years of age.
- In addition to your pension, you will receive state pension (AOW) from the government, just like now.
- If you pass away, your partner will receive a pension. Not only when you receive a pension but also when you are accruing pension.
- You will continue to accrue pension in case of disability, just like now.
- You can still make different choices, such as retiring earlier or receiving a higher pension payment in the first few years and a lower one later.

What do Social Partners find important?

The key principles of the new pension plan are:

- the plan is an attractive employee benefit;
- the plan aligns as much as possible with the current pension scheme;
- after 46 years of pension accrual, the old-age pension including AOW amounts to 70% of your last earned salary (with an 80% chance);
- the plan is transparent, simple, and feasible;
- the plan is based on solidarity (sharing risks with each other) and balanced (fair);
- all pensions will remain at least the same just before and just after January 1, 2026;
- the aim is to increase the pension payment annually, with a small chance of reductions;
- negative impacts of the transition to the new scheme will be prevented.

What are the characteristics of the new scheme?

Social Partners consider the care aspect within the pension scheme important. Therefore, they have opted for a solidarity-based contribution scheme that emphasizes risk-sharing.

This scheme has the following key features:

- The pension you have accrued with Provisum will be transferred to a personal pension account ("pensioenpot") in the new scheme. This includes the pension for yourself and the pension you have accrued for your partner and children. We will calculate the exact value of the pension you have accrued. That value will be transferred to the new scheme. No money will be lost in the transition.
- It is a contribution scheme. This means that the amount of your contribution is fixed, but the final pension amount is not yet determined. The money (the contribution) paid by you and your employer will be added to your personal pension account, along with result from the investments.
- All personal pension accounts will be invested as a whole. We take into account different age groups. The investment risk - and therefore the expected return - becomes smaller as you approach retirement. So: the older you are, the more certainty about the amount of your pension. The younger you are, the more uncertainty about the amount of your pension.
- Each year, an estimate of your expected pension will be calculated based on the amount accrued in your personal pension account and future expected accruals. You will be updated on the development of your personal pension account at least once a year.
- Upon retirement, your pension payment will fluctuate based on investment returns. Positive returns may increase your pension payment, while negative returns may decrease it. The amount of your pension payment will be recalculated annually.
- For retirees, investment returns are not processed all at once but will be distributed over multiple years. The aim is to allow pensions to grow with inflation and minimizing the chance of a reduction in the pension payment.
- A reserve fund, the solidarity reserve, will be established to help prevent reductions in pension payments in any given year. However, there is no absolute guarantee that pensions will never decrease.

Contribution and Compensation

Together with your employer, you will pay a total of 25% contribution for the basic scheme and 14% for the top up scheme[1] over the pension base. The pension base is equal to your pensionable salary minus a franchise (approximately equal to the AOW pension: €16,108 in 2024). These contribution percentages are the same for everyone and will be fixed for five years.
In addition, risk premiums for survivor's pensions and disability pensions are paid, as well as an administration fee.

Compensation
Under the new pension rules, the same contribution percentage applies to all active participants, regardless of age. As a result, a large group of employees (from around 28 years old) would accrue less pension than under the current system. To prevent this, compensation will be provided, varying

[1] The top-up scheme concerns the salary above the so-called premium wage for Social Insurance (€ 2024: 71,628) up to the statutory maximum pensionable salary ((2024: € 137,800)

by birth year and the extent of the disadvantage. This compensation will be paid from Provisum's current assets and added at once into your personal pension account at the time of transition. Therefore, compensation is only available for active employees and not for former employees or retirees.

The Solidarity Reserve

The solidarity reserve is a separate reserve that serves two purposes:

1. Protecting pension payments from reductions. By utilizing the solidarity reserve, we try to ensure that your pension payment does not decrease (too much) in difficult financial years. In the event of a decrease in your pension payment, we will supplement it as much as possible to the level of the payout in the previous year.
2. Protecting against certain risks, such as the risk that someone lives longer than expected (longevity risks). For example, it may happen that you live longer than we initially anticipated in our calculations. The reserve prevents being no pension left for you. Therefore, you will receive a lifelong pension payment, regardless of how old you become.

The Social Partners and Provisum have agreed to fill the solidarity reserve up to a maximum of 10% of the total pension assets during the transition to the new scheme. We will initially fill this reserve from Provisum's current assets. To ensure that the reserve is not depleted all at once, we may use a maximum of 25% of the reserve annually to maintain pension payments. This way, there will be enough left to cover multiple difficult financial years. The chance that pension payments for retirees will decrease in a given year is therefore very small. Each year, 10% of the surplus return from investments will go into the solidarity reserve. If the solidarity reserve exceeds the limit of 10% of our total pension assets, everything above the 10% will be distributed among everyone's personal pension account.

Distribution of Provisum's current Assets at the moment of transition

For the distribution of Provisum's current assets, the level of our funding ratio is important. The funding ratio is the ratio between the value of our investments and the value of all (future) pensions. This concerns the funding ratio as of December 31, 2025.

At the end of 2024, the provisional funding ratio was 146%. This means that for every 100 euros of pension, 146 euros are available. It has been calculated that with a funding ratio of 114%, we can transfer the value of your current accrued pension to your personal pension account. At 114%, we can also fully fill the mandatory legal reserve and the solidarity reserve. And we can provide compensation to everyone who is entitled to it.

If the funding ratio is higher than 114%, money will be left over. This surplus will be distributed in the personal pension accounts at once at the moment of transition. It is beyond the scope of this summary to describe how this distribution will take place and what result it will lead to for our participants. For this, we refer to the transition plan.

The transition plan also describes how the distribution takes place at lower funding ratios.

Payments in case of death and disability

• If you pass away while accruing pension with Provisum

Your partner is entitled to a lifelong partner's pension under the new pension scheme. This partner's pension is 40% of your pensionable salary over the last 12 months (so without deducting the franchise). Suppose your pensionable salary is €30,000 then your partner will receive €12,000 gross annually (40% of €30,000). Your partner may also be entitled to a temporary partner's pension if he/she is not entitled to a benefit from the General Surviving Dependents Act (Anw) from the government.

The definition of partner under the new pension scheme is expanded. Cohabitants who maintain a joint household are no longer required to draw up a notarial deed.

The orphan's pension to be paid to your child or children amounts to 10% of the pensionable salary and is paid until the age of 25. This percentage doubles if your child or children are full orphans. No distinction is made between orphan's pension before or after the retirement date.

If you leave employment?
After you leave employment you will remain insured for this partner and orphan's pension for up to 6 months afterwards. If you get a new job with a pension scheme within six months, the survivor's pension insurance with us will stop. If you do not have a new job after six months, you can choose to continue the insurance voluntarily for up to 15 years with Provisum. The premium for this will be deducted from your personal pension account.

Are you receiving an unemployment or sickness benefit?
The insurance will then continue. This will expire when the maximum period for receiving an unemployment or sickness benefit has passed. After this period, you can choose to continue the insurance voluntarily for up to 15 years with Provisum. The premium for this will be deducted from your personal pension account.

Have you accrued a partner's pension before January 1, 2026?
This partner's pension will also be converted into your personal pension account. If there is a surplus (funding ratio > 114% on December 31, 2025), this partner's pension will be increased by the same percentage as your own pension.

• If you pass away after retirement

The amount of the partner's pension after retirement is standard 70% of the old age pension. You can opt for a different percentage before your pension starts.

Are you already receiving a pension from Provisum that includes a partner's pension? Then this partner's pension will also be transferred to the personal pension account. If there is a surplus (funding ratio > 114% on December 31, 2025), the partner's pension will be increased by the same percentage as your own pension.

• If you become disabled

The conditions for contribution-free continuation in case of disability do not change. If you become disabled, you will continue to accrue personal pension capital without you or your employer having to pay contributions for it. The amount depends on the degree of disability.

Balance

Social Partners have conducted calculations to assess the impact and effects of the new scheme. The outcomes of the transition have been found balanced (fair) for all stakeholders.

In addition to the calculations with a funding ratio of 143% (as of the end of 2023), calculations were also made with other funding ratios. These calculations show that all agreements are balanced. Moreover, everyone seems to benefit from the new pension scheme. This is mainly because Provisum, under the new rules, needs to hold less money as a buffer and is expected to distribute a surplus. The youngest employees are expected to benefit the most in terms of expected pension. This is because they can take advantage of the new rules for a longer period and can achieve more returns due to riskier investments made on their behalf. As a result, this group also faces more risk: their expected pension becomes less certain and will fluctuate more with the economy and investment results.

Consultation with the Association of Pensioners

The Association of Pensioners Provisum (VVGP) has exercised its statutory right to be heard. The draft Transition Plan was shared with the VVGP to hear their opinion. The VVGP agrees with certain decisions and the outcomes of the choices made. Throughout the entire process, the Association felt involved in all considerations. Therefore, the right to be heard was not limited to just one moment when the Transition Plan was completed, according to the Association. The opinion received from the VVGP on January 29, 2025, is included in appendix four of the Transition Plan.

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