



Lower pension purchase in 2022

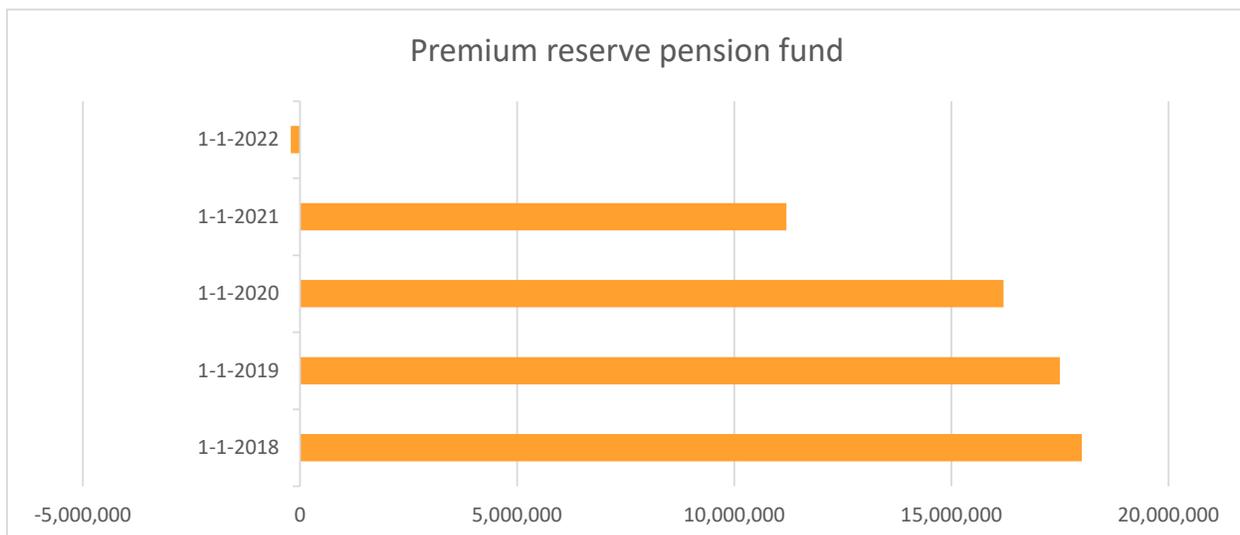
Your employer pays a monthly contribution for your pension. You may also pay a personal contribution yourself. Depending on your choice, this contribution is invested, or you purchase a pension directly with it. If you have not made a choice yet, then the contribution is automatically invested or used to purchase a pension, depending on when you started work.

<https://pensioenfonds.vopak.com/pensioenregeling/keuzes-binnen-de-pensioenregeling>.

Higher contributions are needed for the same pension

Interest rates are currently extremely low. This means that higher contributions are needed to be able to purchase the same pension than at a higher interest rate. The A-plan contribution depends on the interest rate from year to year. In 2018, a maximum was agreed with Vopak for the contribution that Vopak pays for the A-plan. This plan concerns your pensionable salary up to EUR 61,128 (2021).

What is significant is that a higher contribution has been required for several years now than the maximum contribution that Vopak has paid. However, up until now, it was always possible to top up the contribution from a reserve at the pension fund. In 2018, Vopak deposited 18 million euros into this reserve. However, the reserve has now been used up.



The maximum contribution that Vopak pays is unfortunately not enough to purchase a full pension. The pension fund now has no choice but to reduce the contribution (and therefore the pension purchase) in 2022. The pension you have purchased until 2022 will not decrease due to the reduction in the A-plan contribution. If interest rates go up in the course of 2022, pension purchase may also go up again in 2023. However, we cannot say anything about this now.

Purchasing a full pension in the A-plan means an annual retirement pension of 1.875% of the A-base and a co-insured partner's pension of 1.313% of the A-base. The A-base amounts to a maximum of EUR 47,168. Therefore, you accrue a maximum of EUR 884.40 annual retirement pension and EUR 619.32 co-insured partner's pension in the A-plan.



What does this mean? Three computation examples

In the table below, the purchase with the A-plan contribution in 2021 is broken down into financing from the Vopak contribution and the reserve at the pension fund. If it had not been possible to purchase from the fund's reserve in 2021, a retirement pension of 1.171% of the A-base (from Vopak's contribution) would have been purchased in 2021. Therefore, the reduction in the pension purchase is a maximum of EUR 332.18 annual retirement pension (and EUR 232.62 co-insured partner's pension).

The purchased retirement pension of 1.171% of the A-base has been determined based on the interest at the end of 2020. The retirement pension to be purchased for 2022 is determined based on the interest rate at the end of 2021. Given the development of interest rates since the end of 2020, the retirement pension to be purchased for 2022 is expected to be slightly higher than 1.171% of the A-base.

				percentage A-base
Salary	EUR 40,000	EUR 60,000	EUR 80,000	
A-salary limit	EUR 61,182	EUR 61,182	EUR 61,182	
A-base	EUR 25,986	EUR 45,986	EUR 47,168	
Purchase of retirement pension from Vopak contributions	EUR 304.23	EUR 538.39	EUR 552.22	1.171% *)
Purchase of retirement pension from reserve fund	EUR 183.00	EUR 325.85	EUR 332.18	0.704%
Total retirement pension purchase	EUR 487.24	EUR 862.24	EUR 884.40	1.875%

*) based on the interest rate at the end of 2020, this would be the purchased retirement pension as a percentage of the A-base for 2022, the final retirement pension to be purchased for 2022 is determined based on the interest rate at the end of 2021 and is expected to be slightly higher.

What does the lower contribution mean if you invest?

If you invest the contribution in the A-plan, then you will not notice the lower purchase unless you decide to use your investments to purchase a pension. A characteristic of investing is that the amount of the pension depends on the return on the investments and the interest at the time you purchase a pension. That interest may be higher at a later point in time but also lower than it is now. This means you have an advantage or disadvantage compared to purchasing a pension directly.

<https://pensioenfondsvopak.com/pensioenregeling>.

https://pensioenfondsvopak.com/system/files/en2d_beleggen_of_pensioen_inkopen_2021.pdf

Has Vopak started paying less contribution for me since 2018?

No, Vopak has not started paying less contribution and also not less than agreed. Part of the agreements (also before 2018) is that there is a maximum to the contribution that Vopak pays. At a very low interest rate, Vopak's contribution would be very high. That is why an upper limit has been agreed for the contribution that Vopak pays.

Memo



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In 2018 - when new agreements on financing were made - Vopak made a payment to a reserve. This reserve is intended to supplement the contribution if the maximum contribution that Vopak pays is not enough to finance a full pension purchase. At the time, the idea was that with the payment to the reserve, there would be enough money to realise the full pension purchase as long as the interest was lower than the interest used in the maximum contribution.

What can you do?

- ❖ You can reconsider the use of the contribution. You can choose between 'direct pension purchase' and 'investing contribution'. <https://pensioenfonds.vopak.com/pensioenregeling/keuzes-binnen-de-pensioenregeling>. You can use the Vopak pension planner to give you a better idea of the expected pension result for each choice. <https://www.mijnpensioencijfers.nl/vopak>.
- ❖ At Pensioenfonds Vopak, you can accrue extra pension capital (within the tax limits) through the 'Extra pension capital' plan. The contribution for extra pension capital is deducted from the gross salary by payroll. You only pay tax when you receive the pension. You cannot withdraw the capital that accrues through this plan in the interim as you can with normal savings.

Obviously, you can also set aside money for extra pension outside the pension fund. Ask your financial adviser about the possibilities.