

How does the Board calculate the increase (indexation) as of 1 January 2025?

The SPF Board recently took the decision to partially increase pensions in 2025. We refer to this increase as indexation.

1. The increase is 1.01% for
 - everyone currently receiving a pension. This can include a retirement pension (whether temporary or not), a partner's and orphan's pension, a disability pension, as well as
 - former employees who kept their pension at SPF after leaving the company.

Under the Pension Regulations, these pensions follow the Consumer Price Index All Items, derived (October – October). Statistics Netherlands determines this price index, which amounts to 2.58%.

The Board then considers whether the fund's financial situation is sufficient to allow full indexation. This year, this is possible if the policy funding level was 139.4% or higher on 31 December 2024. If the policy funding level is between 139.4% and 110%, the Board may only award partial indexation, in compliance with the Dutch Financial Assessment Framework's (FTK) statutory calculation rules. The policy funding level was 119.8%. This means that the Board can only award an increase of 39.3% of the index, which is how the Board arrived at the rate of $(39.3\% \times 2.58\% =) 1.01\%$.

2. The increase is 1.65% for everyone currently accruing a pension at SPF.

Under the Pension Regulations, the pensions of these employees and disabled members follow the average of the pay increases according to the CAs in place at SABIC Innovative Plastics B.V. and SABIC Limburg B.V. This percentage is 4.2%.

The fund's financial situation allows the Board to award 39.3% of this as well, bringing the increase to $(39.3\% \times 4.2\% =) 1.65\%$.

How does this affect you?

Your pension will be higher, but your pension's purchasing power will fall because the increase does not match inflation.

How does this affect SPF's financial situation?

The indexation means that the fund's funding level will fall by approximately 1.5%. A lower funding level is less favourable for possible indexation in the future and increases the likelihood of the funding level being too low to effect a balanced transition to the new pension. In the Board's opinion, the advantages of a higher pension outweighed these disadvantages.

More information about the indexation?

If you

- would like to know more about the indexation at SPF, click [here](#) or download the 'Indexation' brochure on SPF's website.
- would like to know why the Board did not award the full increase by using the so-called transition FTK, click [here](#) or visit the website to read the 'SPF pension increase' article in the December 2024 Newsletter.
- would like to see how your pension has increased in recent years, click [here](#) or visit the website and click under 'Funding level, returns and other financial figures' in the right-hand column on 'Table on indexation'.