Frequently asked questions at the webinar on the (preliminary) agreements on the new Sabic pension scheme.

1. ***Why does Sabic's pension scheme need to change?***
   A new law came into force in 2023, which regulates the adjustment of all pensions in the Netherlands. Employers, trade unions and politicians have been discussing that adjustment for some 15 years. These parties thought changes were necessary, because the old pension system no longer suits these times. To give an example: in the old system, young people contribute to the pensions of older people. In the past, this was not a problem. Employees worked at the same company and within the same sector almost all their lives. Today, the labour market looks very different. Young people change jobs more often and switch more often between permanent, temporary or freelance contracts. Today, if young people overpay for their pensions, they do not benefit from the reverse when they are older. In the new system, everyone will have their own pension pot, consisting of the paid-in premiums and the return on them. This is fairer for everyone and especially for the younger generations.

   Another problem that had to be solved was that, for years, pensions could hardly grow in line with rising prices, if at all, while making substantial returns. The statutory regulations for indexation were very strict. Soon it will be easier to increase pensions. In very bad times, pensions can also go down. This is already the case now.

2. ***Will my pension benefit go up and down continuously?***
   No. pension benefits are set once a year. The aim is to make pensions grow as much as possible with rising prices. That will be easier in the new scheme than it is now. In bad economic times, pensions can also go down, as they do now. But there is a joint reserve (the solidarity reserve) to protect benefits as much as possible in bad times. The risk of a decline in benefits will be lower in the new scheme than it is now.

3. ***Will I be put more at risk in the new scheme?***
   Indeed, young people still far from retirement are going to be put more at risk than they are now. Because young people get a bit more investment risk and thus a higher expected return, so that their pension assets can grow as much as possible. But their pension assets do go up and down more as a result.
   As you get older, you gradually get less investment risk, and thus less expected return. Your pension assets and your expected pension then start fluctuating less. So: the closer you get to retirement, the more certainty you get about your expected pension.

4. ***If investments for older employees and pensioners are prudent, will there be sufficient returns to keep up with inflation?***
   The risk and return for older employees and pensioners strikes a balance between not too much risk and sufficient return to keep up with inflation. The aim is for pensions to grow with inflation as much as possible.

5. ***Does the solidarity reserve also protect young people's pension assets?***
   The solidarity reserve only protects pensioners (including next of kin) and people nearing retirement. The idea is that young people still have enough time, to recover their pension assets after bad economic times.

6. ***Can my personal pension assets run out if I get very old?***
   No. You get a pension for as long as you live, just like now. Even if you live to be 120 years old. We are and remain in solidarity with each other. That means that the pension assets of people who unfortunately die younger than average are partly used for people who, on the contrary, grow older than average.

7. ***When will the new pension scheme start?***
   The new scheme is scheduled to take effect on 1 January 2027.

8. ***Not all pension funds are converting existing pensions to the new scheme. Why does Sabic do this?***
   All pension schemes must comply with the new law. The starting point is also that all existing pensions will transfer to the new system. Pension funds may deviate from this only if there are good reasons for doing so. In Sabic's case, there are none.

9. ***Can I myself choose how I want to invest my pension assets?***
   No. There is one investment policy for the whole pension fund. The risk and return is divided depending on age. Young people get a bit more risk and a bit more expected return. As you get older, you get less risk and less expected return.

10. ***Can I still make choices later when I retire?***
    Yes. Just like now, you will be able to make choices later. For example, you can retire earlier or later, choose a higher pension first and then a lower one, or make choices concerning the partner's pension.

11. ***Will anything change for people already retired before the transition date to the new system?***
    Everyone, including those already retired, will transfer to the new system. The amount of the pension remains at least the same.

12. ***Will the survivor's pension I have already built up be maintained?***
    Yes. The survivor's pension already built up will be maintained. For next of kin of members who die during their employment, this benefit comes on top of a benefit from the new scheme.

13. ***When will I be told exactly what the change will mean for me personally?***
    At least one month before the switch to the new scheme, everyone will receive a provisional personal calculation, showing you what the switch will mean for you approximately in euros. Approximately, because the financial situation of the pension fund on the day of the switch is ultimately decisive. A few months after the switch, you will receive a definitive calculation.

14. ***Will the current PPP scheme remain in place?***
    The current PPP scheme will remain in place until the new scheme takes effect on 1 January 2027. So you can still use the PPP scheme to retire early until then. Early retirement is also possible in the new scheme.

15. ***Will my built up capital in the PPP scheme be transferred to my personal pension assets in the new scheme?***
    For those who do not use the PPP scheme before 1 January 2027, the built up PPP capital will be merged with the personal pension assets. You can then also choose to retire earlier in the new scheme.

16. ***Can I withdraw the built up PPP capital all at once?***
No, the PPP scheme is for early retirement. Hence, the amount is not withdrawable for other purposes.