

PRESS RELEASE

PCN indexes pensions by 2%

Kralendijk- Pensioenfonds Caribisch Nederland (PCN) will increase the pensions with 2% starting January 1, 2019.

This was decided in a Board meeting which took place last week on Bonaire. In the meantime, the intended increase has also been approved by the Supervisory Board and the Advisory and Accountability Council (AVO).

The decision to increase the pensions became possible after the very strong recovery that PCN has experienced in 2017 and 2018. There were 5 major factors which contributed to the strong recovery of the Fund: the cut in benefits implemented in 2017, a substantial return on investments in 2017 and 2018, a strengthening of the capital by the Dutch state by more than 31 million dollar, the fact that the Fund had set the premiums to the maximum from some time back and the favorable development of the interest rates at which the obligations of the fund must be valued.

Although the fund now has a coverage ratio of 114% which is well above the minimum required funding ratio of 100%, the fund still has a reserve shortage. According to stipulations of the Financial Supervision Framework BES that applies to the fund, the fund must have a coverage ratio of more than 117% to have enough reserves on top of the minimum required funding ratio of 100%. When the fund has a coverage ratio of 117% or more, it can proceed to full indexation for increased cost of living.

Decisions on indexation are taken by the board, taking into account the financial situation of the fund and in accordance with the indexation policy established by the Board. As the AOV payments will also increase per January 1, 2019, the PCN board expects pensioners to have at least as much income as was the case before cuts made in 2017.

The entitlements of future pensioners, or the active members, are also increased by the same percentage as is the case with pensioners who already receive pensions.



In the picture:

Members of the Board and Supervisory Board, together with consultants Margo Lelieveld and Nathalie Houwaart and the secretary of the Board, Frederique van den Steen