

Welcome! In this second newsletter in 2020 we inform you about the latest pension news.



Chairman's blog

What is the impact of the corona crisis on your pension?

Almost all countries throughout the world have been hit hard by the coronavirus. As I was writing this, the number of infections in Bonaire, St. Eustatius and Saba seems to be modest. Luckily, our staff can work from home so the pension administration remains in order and the pension payments can continue to be paid out in time. Do you have questions about your pension? Then we request you not to visit our office, but to telephone or email us. And we continue to be active on Facebook to provide you important information.

Sharp fall

Still, our funding ratio made a sharp fall due to the global corona crisis. Shortly before, our funding ratio was around 112%, but now it is substantially lower. The funding ratio reflects the relation between our pension assets and the pensions that we have to pay out. As well as all the other pension funds, we have made substantial losses on the stock markets due to the corona crisis. Besides, the FED, the system of American Central Banks, has substantially lowered the official interest rate.

As a result, we have to keep more assets in order to fulfill our pension obligations. Since PCN's funding ratio is lower than mandatory now, PCN has drafted a recovery plan again. We have submitted this plan to the Dutch Central Bank at the end of April. It states how PCN's funding ratio is expected to return the right level again. The end of September is another important reference date for our fund. Based on the funding ratio of that moment, the board will decide whether the pensions can be partially or entirely be indexed as of January 1, 2021.

In conclusion

In this newsletter you can read more about the possibilities to commute your pension and which changes you have to report to us yourself. Since there has been no lockdown, the construction of our new office is on schedule. For now, I wish you good health!

Harald Linkels, Chairman

Why do we invest as a pension fund?

PCN receives pension contributions. A large part of these contributions are invested. We do this to earn more money for the participants of our pension fund. This way, your income for the future can grow and we have the opportunity index the pensions each year. Needless to say, we invest against acceptable risks and costs.

PCN invests for 5% locally and for 95% on international stock markets. In the latter, we invest in government bonds and real

assets. Government bonds are characterized by long durations and a fixed interest rate. PCN does not run too much risk over these investments. Our investments in real assets are mostly listed shares. PCN aims for a mix in investments in which risk and return (profit) are in good balance with each other. The local investments fall in this category as well.

Commuting your pension, is that possible?

You accrue pension as an income for the future. Sometimes we are asked whether it is possible to commute the accrued pension. That is only possible when the value of the accrued old age pension is lower than a certain minimum on the retirement date. In that case you will receive the entire pension in one amount. After that, you are no longer entitled to a monthly benefit. In all other cases, pension commutation is not possible. Your pension, together with your AOV, is intended as an income for the future. The following minimum amounts apply for commutation in 2020. These amounts have been established by the government and are included in our pension regulations.

MINIMUM GROSS (ANNUAL) AMOUNT 2020	IF YOU ARE INHABITANT OF
USD 1,606	Bonaire
USD 1,593	Sint Eustatius
USD 1,580	Saba
USC 1,580	A place other than Bonaire, Sint Eustatius or Saba

Commutation before the retirement date is only possible if you emigrate outside the Kingdom of the Netherlands. Further information is available in our offices.

Report changes immediately!

It is important to inform us directly about certain changes in your personal situation. The most important changes are:

Change of address: If PCN does not have your correct address, you will not receive mail. This means that you will not be informed about matters in relation to your pension, and even that we will not be able to find you when your retirement starts.

Changes in civil status: Marriage or divorce can have consequences for the dependent's pension.

Which changes does your employer pass on to us?

- Your entry into service
- Salary changes
- Changes in your part-time percentage
- Leaving service

Pension statement

At the beginning of this year you have received a pension statement from our own administration for the first time. We will send you the pension statement over 2020 in the third quarter.

Please check your pension statement carefully again this time and let us know if information is missing or incorrect.

What has been sent to our pensioners?

Our retired participants received a letter at the beginning of this year with the amount of their pension in 2020. They also received the one-off salary slip and the annual statement 2019. If you have any questions about this, please contact us. We will be happy to help you.

Please note that your payment should still be credited to your account on the 21st of the month. If this is not the case, please contact us.



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PROGRESS CONSTRUCTION OFFICE BUILDING BONAIRE

The construction of our new office building in Bonaire started in January 2020. Below is a series of photographs to keep you informed. At the end of 2020 we hope to start in the new building with our administration team.



FEBRUARY 11, 2020



JUNE 2, 2020