



Sectoroverleg Caribisch Nederland concludes new pension agreement

Last week, the employers and trade unions affiliated to the Sectoroverleg Caribisch Nederland concluded a new collective labour agreement. The pension agreement is part of this collective labour agreement. The pension agreement is implemented by Pensioenfonds Caribisch Nederland. Harald Linkels, chairman of Pensioenfonds

Caribisch Nederland (PCN): "Even though the collective labour agreement only applies to the civil servants, the pension agreement applies to all employers and employees affiliated to PCN. This includes the care and education sectors and some other employers as well. It is important to emphasize that the other agreements reached in the new collective labour agreement only apply to the civil servants."

The low interest rate is the reason the pension agreement has been adjusted since the costs of the pension accrual have considerably increased. To illustrate, in 2010 an interest rate of 4% was assumed, now it is approximately 1%. This means that more contribution has to be paid to accrue the same pension. Furthermore, a maximum contribution of 22% of the salaries applies. This means that employees work for their pension approximately one day in the week.

To manage the costs of pension, employers and trade unions have opted for an adjustment of the pension promise. From now on, pension is accrued up to a salary of just \$47,500. The annual accrual percentage is decreased from 1.75% to 1.71%. From 2030, the retirement age will increase by one year to age 66. It will still be possible to retire earlier at age 60 or to postpone retirement to age 70. An important addition is that if less than the maximum contribution of 22% is required for pension accrual, part of the contribution will be reserved for periods in which more contribution is necessary. On the other hand, it will still be possible to – if necessary – decrease the pension accrual of 1.71% to make sure that the contribution does not exceed the maximum contribution.

Harald Linkels,: "The new agreements have consequences for the pension administration and the pension statements to participants. PCN will first do the calculations to check whether the maximum contribution for 2021 is sufficient for the new pension promise. Thereafter the pension contributions and the pension accrual for 2021 are calculated again. This is a significant operation for PCN and the board will meet in June to discuss all consequences and the timeline in which the new pension agreement can be implemented. Over the next few months, PCN will inform both employers and participants about the changes."

