



Welcome! Please find the first newsletter of 2021. In it we focus on important changes in the pension plan due to new agreements in the collective labor agreement.

A WORD FROM THE CHAIRMAN



NEW PENSION AGREEMENT AS PER JANUARY 1, 2021 CAUSES CHANGES

As you probably know, at the end of May the employers and the unions affiliated to the Sectoroverleg Caribisch Nederland concluded a new pension agree-

ment. It applies with retrospective effect as from January 1, 2021. The pension agreement is executed by Pensioenfonds Caribisch Nederland (PCN) and applies to all employers and employees affiliated with PCN.

The past years the interest rate has become lower and lower. As a result, the costs for the pension accrual have substantially increased. For example, in 2010 we calculated with an interest rate of 4%, now it is approximately 1%. This means that more pension contribution is required to accrue the same amount of pension. However in 2010 employers and unions agreed that the pension contribution may never exceed 22% of the total salaries (that means that we work approximately one day per week for our pension). That is why other measures are necessary.

The starting point of the employers and unions is and will be that the pension and the AOV together amount to approximately 70% of the average earned salary (if you accrue pension as from age 25).

Therefore employers and unions have agreed the following:

- Pension is accrued over the full-time pensionable salary up to a maximum of \$47,500;
- The annual accrual percentage is decreased by 0.04% from 1.75% to 1.71% ;
- From 2030 on, the retirement age will increase by one year to 66. It remains possible to advance the pension to age 60 or to postpone until age 70.

In this newsletter we focus on the impact of these changes on our participants – your employees. And we indicate what this means for your administration. Please let us know if you have any questions!

Harald Linkels, *Chairman*

THIS IS WHAT CHANGES FOR YOUR EMPLOYEES AS PER JANUARY 1, 2021

The impact of the changes on your employees always depends on the personal situation:

- Does your employee have a salary that exceeds the maximum? Then he will no longer accrue pension over the exceeding salary.
- Was the employee born in 1964 or later? Then the new retirement age of 66 applies to him. Your employee will accrue

pension for one more year. This (partly) compensates the decrease of the accrual percentage.

The pension the employee has accrued until January 1, 2021 would start at age 65. As per January 1, 2021 this accrued pension will be converted to a pension that starts at age 66. This results in a higher accrued pension.

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Employees with a salary exceeding the maximum salary, will have a lower pension accrual in the future. This has consequences in the event of decease and incapacity for work, and is the reason that the partner's pension, the orphan's pension, and also the occupational disability pension will be lower as per January 1, 2021. It can be wise for these employees to conclude a separate insurance for this.

IMPORTANT TO KNOW

We cannot rule out that the accrual percentage has to be lowered again due to the low interest rate. That means that

the accrual percentage of 1.71% as from January 1, 2021 can decrease even more. At the end of this year, the board will determine the exact accrual percentage as per January 1, 2021. Each year, the board determines whether the accrual of 1.71% can be paid from the (maximum) contribution. This was also the case with the previous pension agreement. If less contribution is necessary, PCN saves part of that contribution. If more money is required in a following year, it will be used for a higher pension accrual. This arrangement is new and applies in any case up to and including 2023.

Information for employees

In the last quarter of 2021 we will organize information sessions in Bonaire, Saba and Sint Eustatius to tell participants more about the changes and what this means for them. Through an attachment to the pension statement 2021 we will inform your employees about these

sessions. We will send the pension statement in August. In the course of 2022 all participants will receive a conversion message reflecting the effects of the change of the pension plan on their personal situation.

Impact on the pension administration

Obviously the new pension agreement has a significant impact on our pension administration. We will be dealing with two retirement ages (65 and 66) and with a maximum salary. These adjustment require time and attention. We expect to have processed all changes and transactions in December.

For you this means that in the coming months nothing will change in the

payments of the pension contributions. All changes will be reflected in the invoice of December 2021. You can help us by sending us your transactions (changes in salary and/or part-time percentages, and entries and exits of employment) before September 1, 2021.

EMPLOYEES LEAVING THE SERVICE?

Is an employee leaving the service in the

coming months? Then we will send this employee a confirmation of termination in 2022. Please inform the employees about this when they leave the service.



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INFORMATION SESSIONS FOR EMPLOYERS

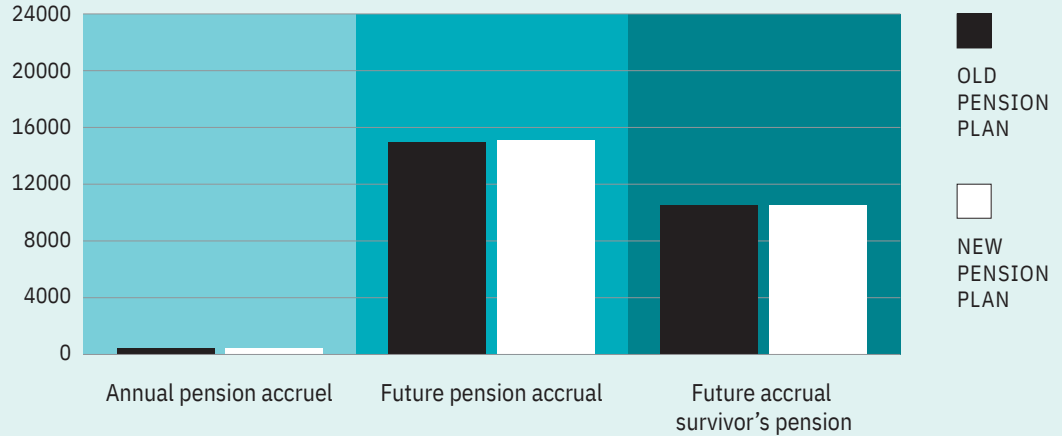
Of course we will organize information sessions for you as an employer to inform you further about all the changes in the plan and what this means for you as an employer. For Bonaire, Saba and Sint Eustatius the sessions are planned in the last quarter of 2021. You will receive a personal invitation. If you have any questions, please contact our account manager, Mrs. Diana Thomas. This can be done by e-mail (diana.thomas@pensioenfonds-cn.com) or by telephone via our office on Bonaire (00 599 717 09 84).

CALCULATION EXAMPLES

In all examples we assume that your employees work full-time and that they will remain doing so until their retirement age and that their salary and the offset will not change. All the amounts in the calculation examples are rounded to whole USD.

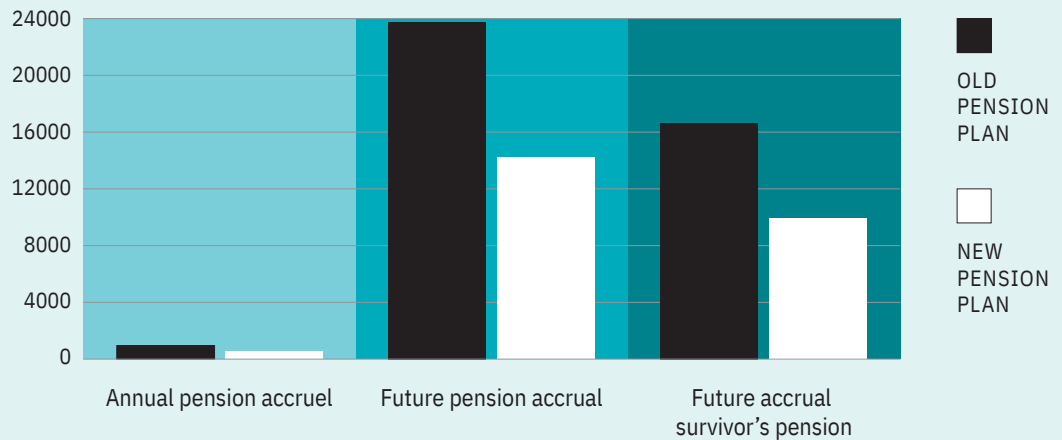
CALCULATION EXAMPLE 1

Your employee has reached the age of 30 on January 1, 2021 and earns \$40,000 on annual basis.



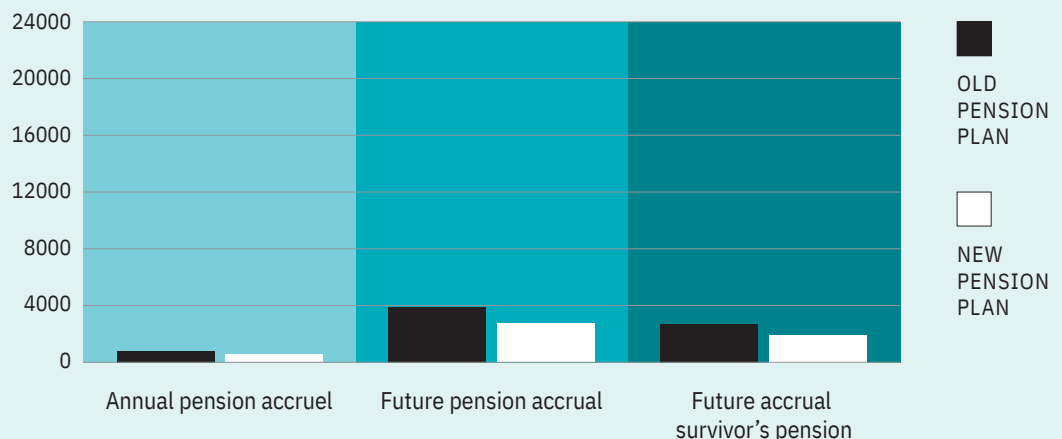
CALCULATION EXAMPLE 2

Your employee has reached the age of 40 on January 1, 2021 and earns \$70,000 on annual basis.



CALCULATION EXAMPLE 3

Your employee has reached the age of 60 on January 1, 2021 and earns \$60,000 on annual basis.



CALCULATION EXAMPLES

CALCULATION EXAMPLE 1

Your employee has reached the age of 30 on January 1, 2021 and earns \$40,000 on annual basis.

Description	2020	2021	Effect
Salary	\$40.000	\$40.000	
Maximum salary		\$47.500	
Offset	\$15.360	\$15.360	
Pensionable earnings (salary minus offset)	\$24.640	\$24.640	
Retirement date	1-1-2056	1-1-2057	
Accrual percentage	1,75%	1,71%	
Annual accrual old age pension	\$431	\$421	Decrease accrual \$10 per year
Number of years future	35	36	
Future accrual old age pension	\$15.092	\$15.168	Increase future accrual old age pension \$76
Future accrual dependent's pension	\$10.564	\$10.618	Increase future accrual dependent's pension \$54

CALCULATION EXAMPLE 2

Your employee has reached the age of 40 on January 1, 2021 and earns \$70.000 on annual basis.

Description	2020	2021	Effect
Salary	\$70.000	\$70.000	
Maximum salary		\$47.500	
Offset	\$15.360	\$15.360	
Pensionable earnings (salary minus offset)	\$54.640	\$32.140	
Retirement date	1-1-2046	1-1-2047	
Accrual percentage	1,75%	1,71%	
Annual accrual old age pension	\$956	\$550	Decrease accrual \$406 per year
Number of years future	25	26	
Future accrual old age pension	\$23.905	\$14.289	Decrease future accrual old age pension \$9,616
Future accrual dependent's pension	\$16.734	\$10.003	Decrease future accrual dependent's \$6,731

CALCULATION EXAMPLE 3

Your employee has reached the age of 60 on January 1, 2021 and earns \$60.000 on annual basis.

Description	2020	2021	Effect
Salary	\$60.000	\$60.000	
Maximum salary		\$47.500	
Offset	\$15.360	\$15.360	
Pensionable earnings (salary minus offset)	\$44.640	\$32.140	
Retirement date	1-1-2026	1-1-2026	
Accrual percentage	1,75%	1,71%	
Annual accrual old age pension	\$781	\$550	Decrease accrual \$231 per year
Number of years future	5	5	
Future accrual old age pension	\$3.906	\$2.748	Decrease future accrual old age pension \$1,158
Future accrual dependent's pension	\$2.734	\$1.924	Decrease future accrual dependent's pension \$810