

Welcome! In this first newsletter of 2020, we present the latest pension news to you. We hope you will enjoy reading it.



Chairman's Blog

“Your pension contribution is also invested locally!”

At PCN, we find it important to arrange a good pension for everyone who works or has worked within the government, education and health care sectors in the Dutch Caribbean. Fortunately, our financial position is healthy and that is one less worry.

We take good care of your money and consider it important to invest part of the pension money – your pension contribution – locally. We inform you about recent local investments in this newsletter. More of such investment will follow in the future. This year, we hope to move to our new office, which is located next to our current office.

In this newsletter, we also bring you up to speed about our financial position and when you can actually retire. We tell you what the possibilities are to advance or defer your retirement.

Do you have questions about this newsletter or do you want to know more about your pension? Please contact us. You will find the contact data on the reverse side of this newsletter.

Although the new year is already a few weeks old, I wish you a prosperous 2020.

Harald Linkels, *Chairman*

Local investments for higher social return

In 2019, the PCN board has sought actively for opportunities to invest pension assets in Bonaire, St. Eustatius and Saba. That is why the board decided to buy the historic The Hill Compound in St. Eustatius. “It is not only important to preserve this for future generations, but I am also convinced that when the development of St. Eustatius will really gain momentum, this will prove to be an excellent investment for PCN”, board member Roy Hooker says.

At an earlier stage, PCN granted a loan to the Old Gin House Exploitatie Maatschappij B.V. (OGHEM) to enable the purchase of the Talk of the Town-apartments in St. Eustatius.

Last year, PCN granted a loan to the airline company EZ Air, while the pension fund, as part of a larger consortium of funders, is also involved in the financing of the construction of 500 social-sector houses in Bonaire. The board is currently contemplating investments in Saba.

Why do we invest as a pension fund?

Our pension fund receives pension contributions. We invest a large part of these contributions. We do this to generate more money for the participants of our pension fund. As a result, your income can grow in the future and we will have a chance to grant indexation each year. It goes without saying that we invest against acceptable risks and costs. We generated a total return of 18,2% on all our investments up to and including November last year.

More pension in 2020 through indexation

PCN has increased the pensions as of 1 January 2020 by 0.75%. This indexation applies to employees who are still accruing pension or who participated in the pension scheme in the past and to the people who are already receiving pension. The pension contribution in 2020 remains at the same level as in previous years, which is 22% of the salary. The board recently decided this.

Though 0.75% seems modest, it means that the price development in the BES islands is compensated for nearly 70%, as the inflation in the past twelve months was 1.1% on average. Chairman of the board Harald Linkels is pleased that PCN can again increase the pensions with indexation. "The fund has been able to achieve a high coverage ratio last year. In addition, after a number of years, we reached the end of the long-term recovery phase as of the end of September last year." Nevertheless, PCN must remain cautious. "In the course of the year, the interest rate in the United States dropped sharply and that affects our coverage ratio."

What is the coverage ratio?

The coverage ratio is the ratio between the assets of the fund and the pensions (pension liabilities) that the fund has to pay out (later). The coverage ratio is expressed in percentages. A coverage ratio of 110% means that we have \$ 110 in assets for each \$ 100 that we have to pay for pensions in the future.

When can you retire?

Half a year before you reach your retirement age, you will receive all information from PCN that you need to apply for your pension.

Your retirement age equals the AOV age of the BES islands. However, you can also choose to retire earlier or later. You can defer your retirement until maximally five years after your standard retirement age, but this can, for instance, also be three years or one year. You can never retire earlier than at the age of 60. We have listed the possibilities in the table below.

BORN	STANDARD RETIREMENT AGE	ADVANCED RETIREMENT AGE	DEFERRED RETIREMENT AGE (MAXIMALLY)
Before 1-1-1953	Age 60	Age 60	Age 65
Before 1-1-1954	Age 62	Age 60	Age 67
Before 1-1-1955	Age 63	Age 60	Age 68
Before 1-1-1956	Age 64	Age 60	Age 69
As from 1-1-1956	Age 65	Age 60	Age 70

If you retire earlier, you will receive a lower pension benefit. That is because you accrue pension for a shorter period, while the accrued pension has to be paid out over a longer period. You must also take into account that you will not yet receive AOV from the government in the first years. If you wish to stop working earlier, you can contact one of our offices.

In consultation with your employer, you can decide to continue to work longer. Deferred retirement means that you will receive a higher pension benefit. That is because you will accrue pension over a longer period of time, while your pension will be paid out over a shorter period. If you wish to defer your retirement, you can indicate this on the forms that you will receive half a year before reaching your retirement age.



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VISIT US ON FACEBOOK

Do you know that we have our own Facebook page? You find us at facebook.com/Pensioenfondscn/.

Here you will, for instance, always find the latest financial news about our coverage ratio. We also give you useful pension tips and tell you what we are doing.

New office in 2020

In November last year, PCN signed the agreement for the construction of its new office building at the Kaya General Carlos Manuel Piar. We need more space now that we have been doing the pension administration ourselves for about one year. The office will be constructed by Dimi Construction B. In order to be able to construct a new building, PCN has bought the old office building of Bureau Ziektekostenvoorzieningen (BZV) (Bureau Health Care Cost Provisions). The delivery of our new office is scheduled for 2020. The reception of PCN remains in our current building.