

Amsterdam, September 2020

Dear participant,

Hereby you receive your Uniform Pension Overview (UPO) per January 1, 2020. We also would like to inform you on a number of current topics.

The accrual percentage has been reduced as of January 1, 2020

In March 2020, you received a letter from us informing you that the accrual percentage for 2020 has been reduced from 1.875% to 1.5%. This means that you will build up less pension from 1 January 2020. The pension that you can achieve on the retirement date may therefore be lower than in the UPO of last year. The pension accrued up to 31 December 2019 has not been reduced.

The financial position of CRH Pensioenfondsen

The financial position of the pension fund is expressed in the current funding ratio. The current funding ratio reflects the ratio between the invested capital and the pension benefits that the pension fund must pay from that capital (the liabilities).

The current funding ratio

The pension fund calculates the current funding ratio every month. The current funding ratio was 97.7% at 31 December 2019. In the course of 2020, the current funding ratio decreased as a result of the Corona crisis. At July 31, 2020, the current funding ratio was 87.3%. This means that the pension fund has 87.3 cents in cash for every euro of pension at this moment.

Can your pension be reduced?

The Dutch Minister of Social Affairs Koolmees has informed the House of Representatives in a letter that the rules for pension reductions will be eased. Pension funds do not have to reduce their pensions if the current funding ratio is at least 90%. Because the current funding ratio is 87.3% at the end of July 2020, the chance that your pension will have to be reduced in 2021 is very realistic. If the current funding ratio is still 87.3% per December 31, 2020, this means that all accrued pensions will have to be reduced by 2.7%.

Indexation as of 1 January 2020

The CRH Pensioenfondsen scheme has conditional indexation. Conditional means that the board decides annually whether it is possible to grant indexation. This decision is based, among other things, on the policy funding ratio of the fund. The policy funding ratio is the average of the current funding ratio over the past 12 months. No money is set aside, nor an extra premium is requested to increase pensions in the future. No right to any future increases can be derived from an indexation in any year.

In order to be able to (partially) index, the policy funding ratio must be at least 110%. Because the policy funding ratio was 95.3% per December 31, 2019, the board of CRH Pensioenfondsen could not increase the pensions per January 1, 2020. We will probably not be able to increase your pension in the coming years either.

New pension system

In June 2020, the Dutch Government concluded a pension agreement with the employee- and employer organizations. In this pension agreement, arrangements have been made about a new pension system. The House of Representatives has also approved this pension agreement. A number of things are already clear, but important parts of this pension agreement still need to be worked out in more detail. In this letter we are therefore not yet able to specify exactly what will change for you. As soon as more is clear about the new pension system, we will inform you further.

Changing the pension system is complicated and takes a lot of time. The timetable for the introduction of the new pension system is roughly as follows;

Expected timeline for the introduction of the new pension system;	
July 2020	The pension agreement has been worked out in more detail.
2020 - 2021	The new pension rules will be incorporated into a bill. If that bill is approved by the Senate and the House of Representatives, the new pension law is expected to become effective on 1 January 2022.
2022 – 2023	After the new pension law has become effective, employees and employers can make specific arrangements for a new pension scheme. This will take place in the period between 2022 and 2023.
2024 - 2025	The agreements between employees and employers based on the new rule can be introduced by the pension funds during this period.
1 januari 2026	The pension funds must be ready with the introduction of the new pension scheme by 1 January 2026 at the latest.

New in the UPO 2020; what if things go good or bad?

Traditionally, your UPO shows the amount of retirement pension that you have accrued, and the amount of retirement pension that you can accrue if you continue to participate in the pension scheme until your retirement date.

From 2020 on, the UPO will also contain a icon by which an indication of the purchasing power of your pension is given. This is the picture with the three arrows. Apart from the expected final result, the icon shows the amount of purchasing power when (economically), things go bad or well. Because inflation is taken into account in these calculations, these amounts differ from the amounts shown elsewhere on the UPO in terms of pensions to be achieved.

These amounts in the UPO are based on the pension you accrue with CRH Pensioenfondss only. You will also find this icon at www.mijnpensioenoverzicht.nl, where it also includes the state pension and any pensions accrued elsewhere in the Netherlands.

Vacancies at the CRH Pensionfund Board

Per January 1, 2020, Mr R.J. Boesjes was due to step down as a board member according to the rotation schedule on behalf of the pensioners. Mr. Boesjes was available for re-election and is, because there were no other candidates, re-elected for a period of 4 years.

Per January 1, 2020, Mr E. de Boer and Mr. S. Herremans are no longer employed within the CRH organization.

On May 1, 2020, Mr. R. De Kok left the CRH organization. From those dates their board membership terminated legally. The board of CRH Pensioenfondss is particularly grateful for the professional and dedicated way in which they performed their management position.

Per January 1, 2020, Mr. P. Weeting (on behalf of the employees) and Mr. A. Jager (on behalf of the employer) have been appointed as new board members. This means that there is currently one vacancy for a board position on behalf of the employees and one for a board position on behalf of the employers.

On the basis of the board regulations, any participant can nominate a candidate for a vacancy within the board on behalf of the employees. If you want to apply for a board position, you must report this in writing to the board no later than 31 October 2020. The nomination must be signed by at least ten participants, not including the candidate himself. You can send your application to:

Stichting CRH Pensioenfondss
Attn. of the board
PO Box 51091
1007 EB AMSTERDAM

Or by email to info@crhpensioenfondss.nl.

If there is more than one candidate, elections will be held. Appointment as a board member can only take place after the candidate has been assessed by De Nederlandse Bank for suitability and reliability.

Vacancies Accountability Body CRH Pensioenfonds

Per 1 January 2021, Ms E. Hendriks will step down as member of the Accountability Council on behalf of the employees, according to the rotation schedule of the Accountability Body. Mrs Hendriks is available for re-election.

Ms. N. Voortman, member on behalf of the employer, has terminated her membership of the Accountability body. The employer is still considering a possible successor. The board of CRH Pensioenfonds would like to thank Ms Voortman for her efforts within the Accountability Body in recent years.

From time to time, there are vacancies in the Accountability Body. If you are interested in a place in the Accountability Body, you can contact the Pension Office.

Contact

If you have any questions regarding your Uniform Pension Overview or this letter, please contact the Pension Office on telephone number: 020–3045 100 or by e-mail: info@crhpensioenfonds.nl.

You will find an explanation of the UPO on our website www.crhpensioenfonds.nl. For actual matters, also check our website.