

Q&A - December 2024

## New pension scheme Forward as of 1 January 2027

**On 2 December, Unilever informed all employees by email about the agreements reached between employer and unions on the future of the Unilever pension. We can imagine that this information is complex for you. Below you will find Q&As that can help you find answers to any questions you may have. If you did not find what you were looking for, please feel free to contact us. You can find our details at the end of this document.**

### 1. Why are the pension rules in the Netherlands actually changing?

The Netherlands has been in the top 3 of best pension systems in the world for years. Therefore, it may not seem logical to introduce new pension rules. Yet new rules are necessary to keep the system as good in the future. Thanks in part to the announced changes, we are now even back in first place in the [world rankings](#).

*What improvements do the new pension rules bring?*

1. In the new scheme, as an employee, you can clearly see **how much you are contributing** to your pension and **how your personal pension capital is developing**.
2. With the new rules, pensions can be increased earlier than now if the **economy and investments** are doing well. On the other hand, pensions may also be reduced earlier.
3. The new rules are **more in line with the current job market** than those made in the middle of the last century. For example, the new rules take into account that people change jobs more often these days.

### 2. Is really everything going to change in the new rules?

No, many things will also remain the same. You will still put money into your pension together with Unilever. This will be invested for you, just like now. You still choose when to start your pension. You will still save for a life-long pension, which will continue to be paid out no matter how old you get. In case of early death, your partner will receive a life-long benefit (see question 13) and in case of disability for work, your pension accrual will continue without you paying for it yourself (see question 15). Above a certain salary threshold, there is also a supplement to the WIA (government disability benefit).

### 3. Who decides on the new pension scheme and what can I expect at what time?

Unilever and the trade unions reached an agreement on the outlines of the new pension scheme last summer. Those agreements are currently being elaborated in the transition plan to be ready by 1 January 2025. Members of the unions may now vote on the draft plan first. The VUG (Association of Unilever Pensioners) also provides input on the plan.

As a pension fund, we assess whether we find the transition plan feasible and balanced and we will implement the new scheme. How we will do that, you can read next year (2025) in the 'implementation plan'. The new pension scheme will start on 1 January 2027.

#### **4. What does ‘invaren Forward pensions’ (conversion) mean?**

‘Invaren’ means that accrued and current Forward pensions will be transferred to the new pension scheme on 1 January 2027. This means the new rules will apply not only to new pensions but also to already accrued pensions in Forward.

Upon the transition to the new scheme, we will calculate accurately the value of your pension. That value is transferred (as a capital) to the new scheme. After that we will determine how much money there actually is. Is there more money than the value of all pensions together? Then the ‘surplus’ basically will be distributed according to the agreements made by social partners (Unilever and the unions) with the pension fund on this. For more information, see question 10.

#### **5. I also have a pension with Progress. What happens to that?**

Pension with Progress (accrued via Unilever before 1 April 2015) will not transfer to the new scheme. For Progress, the current rules will continue to apply, e.g. in the event of a financial shortfall Unilever will make additional money. On the other hand, in case of a financial surplus, Progress will pay money back to Unilever. Also, the partner pension will not change.

The VUG (Association of Unilever Pensioners) carefully assessed the decision not to transfer Progress and is positive about it.

#### **6. What is a solidarity-based contribution scheme?**

A contribution scheme is a pension scheme in which the amount of the contribution (the money you pay for your pension together with your employer) is fixed. Because it is fixed, the content of the pension pot (and of the level of your final pension) depends mainly on investment results.

‘Solidary’ means that you do not bear the risks of, for example, investing only by yourself. For example, a solidarity reserve will be built up, which can be used to protect pensions in a year with financial setbacks.

#### **7. Everyone will have their own pension pot. Could that pot be empty at some point?**

No, the capital for your pension will never run out. As long as you haven't yet retired, you will have insight into the capital available for your pension. Upon retirement, the amount of your pension is determined on the basis of your *individual* pension pot.

Once you retire, you will enter the so-called ‘*collective* benefit phase’ in you will receive a pension for as long as you live. ‘Collective’ here means that the pension is paid from a collective pot in which you share the risks (of e.g. investment results and living longer or shorter than average) together with your fellow pensioners.

#### **8. From when can I choose to contribute less to my pension?**

In the new scheme, all work levels - provided the salary is high enough - are given the choice to reduce the pensionable base\* to €80,000, €95,000, or €110,000. These amounts are set in 2024 and will rise in line with CLA wages from 2025.

You can make the choice to accrue less pension at the end of 2026 and it will take effect from 1 January 2027, at the start of the new scheme. From then on, you will have the opportunity to revise your choice once a year.

We will contact you in due course if you are eligible for this choice.

### **9. It will be possible to contribute *less* for your pension. But can I contribute *more*?**

The current and new Forward scheme are maximum within the current tax rules. Therefore, you cannot contribute extra for your pension with Forward.

However, you can opt for tax-efficient (bank) savings, a pension investment account or annuities. For more information about extra savings or investments, we advise you to contact a financial adviser.

Is your salary higher than €137,800 (limit in 2024)? Then you can participate (already now) in Unilever's net pension scheme. You can find more information [on this website](#).

### **10. What do the rules for the distribution of existing assets for 'invaren' mean?**

These rules have been agreed for distributing the pension capital that remains after the personal capital of the participants has been determined. These include filling a solidarity reserve and compensating for the abolition of the average contribution system (doorsneesystematiek).

How exactly these rules will be applied depends on choices made by the social partners and the capital available on 1 January 2027. You will hear more about this later.

### **11. What is a solidarity reserve?**

Solidarity continues to be an important feature of the Unilever pension in the new scheme. To ensure that, for example, pensions in payment are protected in a year with financial setbacks, we maintain a financial buffer, known as a 'solidarity reserve'.

### **12. What does 'compensation for a negative effect of abolishing the average contribution system' mean?**

Now a younger person gets the same amount of pension as an older person for the same contribution, while a younger person's contribution can yield much longer. Younger people thus contribute to the pension accrual of their older colleagues. This will change in the new pension scheme.

Employees in the middle aged group in particular have been co-paying for pension accruals of older people for years. Now that they reach the age from which they benefit in the current pension system, the system is being changed. As a result, the pension situation of those workers may deteriorate when moving to the new pension scheme. If that is the case, then compensation will be paid for this.

### **13. What happens to the partner and orphan pension in the new scheme?**

#### *Not yet retired?*

As long as you are employed by Unilever, a pension will be insured for your dependents (partner and children). To avoid having no cover after leaving employment, there is a three-month run-out cover. This cover ends when you have a new job. The run-out cover continues, even after these three months, if and as long as you are unemployed and covered by the Unemployment Insurance Act (WW) or ill and therefore receiving Sickness Insurance Act benefits.

The *life-long* partner pension in the event of your death amounts to a percentage of your last-earned salary (30%).

Furthermore, your partner will receive, only after your death *during* employment, a *temporary (until your partner's state pension age)* partner pension of €5,000 per year. For any children under age 25, an orphan pension is insured (15% of last-earned salary).

In addition to these insurances, the partner pension you will accrue until 1 January 2027 will be retained.

#### *Are you going to retire?*

Then - as now - you will have the option to buy a partner pension from your pension capital, or to use the entire capital for a pension for yourself. Do you opt for the latter? Then your partner, if any, must agree.

### **14. I will be made redundant. Do the new pension rules also apply to me?**

When you leave Unilever, your participation in the Forward pension scheme ends. Your accrued pension will remain with us, unless you transfer it to any new pension administrator. On 1 January 2027, the new rules will also apply to your remaining Forward pension.

### **15. I am/will become incapacitated for work. What do the new pension rules mean for me?**

If you become incapacitated for work after 1 January 2027, you will still be insured for waiver of contribution in case of occupational disability. This means that you no longer have to pay a premium for your pension yourself. In addition, as now, above a certain salary threshold, a disability pension (AOP) is insured.

Are you already incapacitated for work and do the above Forward insurances apply to you? Then your entitlement to disability pension and contribution waiver will be transferred to the new scheme. Your possible AOP, like other pensions in payment, will move with the economy more than now.

### **16. Does it make sense to look at my Annual Pension Summary (UPO) and/or the pension planner? Surely the scheme is going to change?**

The Forward scheme is indeed going to change in 2027. Still, it is good to know where you stand now. If you think your pension will not be sufficient later on, you can consider measures. The earlier you start doing so, the more options you have.

### **17. I have read about the possibility of withdrawing 10% of the pension. Does this also apply to me?**

This is actually separate from the transition to a new pension scheme.

Most likely, it will indeed be possible - when you retire - to withdraw up to 10% of your pension as a lump sum. The monthly pension benefit will then be reduced by the same percentage. The proposal for this is now before the Senate (Eerste Kamer) for consideration.

Once the bill is passed, participants will be offered this one-time option upon retirement. The effective date targeted by the government - after several postponements - is now 1 July 2025. It is likely that this date will shift further. No later than six months before the effective date, this option will become available in our online pension planner, which can be accessed via [Mijn Pensioen](#).

An important restriction is that a lump sum of (maximum) 10% is only allowed if no use is made of purchasing a bridging pension and/or varying in pension amount. We advise you to request a personal pension consultation with us in due time (via the planner). This can be done from 6 months before your chosen retirement date.

### **18. What actually makes Unilever's pension scheme one of the best in the Netherlands?**

Several features make that Unilever has a good pension scheme compared to many other employers. First of all, employees accrue a maximum pension within the current fiscal frameworks. In addition, the employer's contribution is high (27% of pension base\*) and employees pay a relatively small contribution (3% of pension base\*). Furthermore, the pension fund is in good financial shape and there has never been any question of reducing pensions.

Finally, good to know: your pension remains with a pension fund, a non-profit foundation. The Unilever Pension Fund exists purely to administer the Unilever pension scheme and to inform (former) Unilever employees about it in the best possible way. Our mission is to make the best possible contribution to a carefree old-age for you and all your colleagues.

### **19. How can I stay informed about developments concerning the new pension scheme?**

Make sure your (correct) e-mail address is known to us. You can check this online in Mijn Pensioen: <https://mijnpensioen.unileverpensioenfonds.nl>

If your e-mail address is known, we will keep you informed of the latest news via our digital newsletter and personal letters. You can also check all the information on this dedicated page on our website:

<https://www.unileverpensioenfonds.nl/forward/pensioenregeling/nieuwe-regeling-vanaf-2027/>.

Are you no longer working at Unilever, but do you still have a pension with Forward or are you already receiving a pension from Forward? Then you will not receive any information from your former employer about the new scheme, but we will keep you informed.

**Is your question not answered above?**

Then contact us at [pensioen.infolijn@unilever.com](mailto:pensioen.infolijn@unilever.com) or 010-439 4473.

\* The pension base is the pensionable salary minus a threshold. That threshold is applicable because you will also receive AOW (Dutch State Pension) later and your pension therefore does not have to be based on your full salary.