Q & A following webcast June 20, 2024

General
Question 1: Is it possible to improve the quality of the audio and video? It is partly impossible to follow.
Answer: It is indeed true that the quality was not good at times. We regret this. Together with Communications and Shared Facility Center, we will look at how we can improve quality next year.

Question 2: I don't speak Dutch, but I am interested in the subject. Will you also make information available in English?
Answer: Many questions have been received about the availability of information in English. This has the attention of the pension fund. We are currently investigating the options and as soon as there is more clarity, you will be informed by email and/or website.

Question 3: Would it possibly be a good idea to offer both retirees and those who are retiring the option to switch to an insurer with the saved pension rights?
Answer: Because Thales has opted for the flexible contract, it is possible to take the capital with you upon retirement and purchase a guaranteed benefit from an insurer. In addition, the current group of retirees will be given this choice once. So this option is already provided.

Question 4: The tax free space has been increased in 2024. Does Thales plan to make use of this for its employees? Or do employees have to pay extra money themselves to avoid having a pension gap?
Answer: Thales' scheme is almost fiscally optimal. There will therefore be no pension gap from 2024 onwards and individual additional contributions are therefore neither necessary nor possible (from a tax perspective).

Question 5: Are there options to make additional contributions to the pension pot, and if so, what are the conditions?
Answer: That is not possible, see also answer to question 4.

Question 6: How much money has been invested in the defense industry and what have been the annual returns on these investments in recent years?
Answer: it is legally prohibited for funds to invest in cluster munitions, landmines and nuclear weapons, so pension fund Thales does not invest in these. In addition, the fund invests broadly in various regions and sectors. We do not separately monitor investments in Defense and the returns on them.

New pension system

Question 7: Are you expected to improve or deteriorate as a pensioner with the new system? Does this differ per age category?
Answer: In general, it is expected that retirees will improve. The available buffer is distributed and pensioners can therefore expect an increase in their pension. After that, there will be increases, but also decreases. This depends on the degree of coverage available at the time of entry. In addition, it does indeed depend on age.

Question 8: Because I am 100% dependent on my pension, I am particularly interested in whether my current monthly pension amount will change, to what extent, the timing of the change and the reason why this change is being made.
Answer: See also the answer to question 7. The reason for the new pension system is that the current system no longer suits today's society. For example, people live longer and change jobs more often. Pensions have also become more expensive in recent years, indexation of pensions has been delayed for a long time and in some cases pension premiums have increased. That is why the government, together with employers and employee organizations, has concluded a new pension agreement.

In the new pension system, pension funds can use the proceeds of their investments more quickly to increase pensions. But if things go badly, pensions can also be reduced. The new pension law does regulate that there are reserves in the payment phase to absorb this as much as possible. The low actuarial interest rate, which has been cited in recent years as a reason for not indexing, no longer plays a role in the new system.

You won't notice much of it until January 1, 2026. After all, Pension Fund Thales intends to switch to the new pension scheme as of January 1, 2026. As soon as more information becomes clear, you will be informed personally. More general information will also be communicated via the website.

Question 9: when will the pension planner be adapted to the new scheme?
Answer: It is not yet entirely clear when the pension planner will be adapted to the new scheme. In the run-up to the new pension scheme, everyone will be personally informed about his or her personal situation.

Question 10: Can it be made clear what the expectations are per age category, is that possible?
Answer: The transition plan includes expectations per age. The transition plan shows the URM amounts, which is the pension in expected, good and bad weather. The results are aggregated by age and give an indication of what someone of a certain age can expect. The transition plan is expected to be published on the pension fund's website in mid-July and everyone can view it.

Question 11: Is every employee obliged to join the new pension system or are we given the choice to maintain the old situation?
Answer: The choice to enter is made by the social partners (employer + COR) for the collective. Thales' social partners have decided to participate and this means that this automatically applies to all participants. It is not possible to remain in the current situation.

Question 12: The new system is much more focused on investing and depending on the results, pensions will increase or decrease. How risky are these investments?
Answer: Even in the current system, investments are made for pensions, otherwise we would not be able to achieve the current level of pension benefits. The amount of the final pension is determined for approximately 2/3 by investment returns and 1/3 by premium contributions. In the new system, investments are made differently for the group that is accruing and the group that is in the distribution phase, now one investment mix is maintained for the total population. Particularly for the group in the accumulation phase, investments will be carried out with more risk, this is also possible because the accumulation phase for someone who starts working lasts approximately 40 years. Because it concerns pension accrual, the money is fixed for 40 years and during that period capital must be built up as optimally as possible for the benefit phase.

Question 13: What is the outlook for someone who is just starting to work, someone who is now around 45 years old and someone who is close to retirement (around 60)? Can you show an expectation of this (negative and positive).
Answer: see answer to question 10. The group of workers aged 45-60 has received extra attention because they are most affected by the abolition of the average premium. A compensation scheme has been set up for this.

Question 14: The current accrual (depending on length of employment) of the survivor's pension will be replaced by “insurance”. This will then be a fixed percentage of the last earned salary. The reported percentage of 22% was mentioned. Because it was also stated during the Webinar that the accrued rights for each participant are respected, I assume that this also applies to the survivor's pension. Given my long-term accrued rights, I assume that those regarding the survivor's pension will not be canceled out by the insured percentage of 22% of the last earned salary.
Answer: That is correct. The accrued rights remain intact. In your case, this means that you retain your accrued rights and receive the 22% coverage.

NB.: For active (and former participants) a partner's pension can be purchased from the existing capital from the retirement date. This is actually no different from the current situation, in which the possibility of exchange existed. The 22% of the salary is set as insurance in the event of death before the retirement date, together with a fixed amount.

Question 15: What do the changes in the survivor's pension mean for the partner of someone who already receives a pension?
Answer: Partner pensions of participants who have already retired remain unchanged.

Question 16: How are employees aged 40-55 compensated for decline in the new system?
Answer: see answer to question 13.

Question 17: I will reach retirement age within two years and intend to continue working full-time during these last two years. What does this mean for my pension with regard to the new pension system?
Answer: At the time of transition, benefits are discounted using the same actuarial interest rate as in the current system, so the same benefit can be expected to be provided at a 100% coverage ratio. If the coverage ratio is higher, the existing buffer is distributed and therefore retirees and active workers can expect an increase in their pension. After that, it will be increased, but also decreased (a risk sharing reserve will be formed to limit the risk of a decrease in the benefit).

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