

**Koopvaardij**



Stichting Bedrijfspensioenfonds voor de Koopvaardij

PENSIOENKOMPAS

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Dear Reader,

We are pleased to present you with the latest PensioenKompas. By the time you receive this edition, we will again be looking forward to the spring sunshine. The financial world remains unstable, economic growth is still weak and inflation is not really picking up either. There are also concerns about growth in China, the sharp fall in oil prices and geopolitical crises such as IS in Syria and Iraq and the migrant problem. The result of sluggish growth and inflation is an ongoing low interest rate that pension funds have to take into account. This means that pension funds have the difficult task of having to calculate for a period of around thirty years on the basis of the current very low interest rates.

Up until now, Bpf Koopvaardij has been able to bring about a relatively stable development in the funding ratio. However, there will come a time at which low interest rates in combination with unstable financial markets will begin to impact us too. The policy funding ratio as at 31 December 2015 was 112.2%, which is still above the required funding ratio (111.2%).

On the basis of the rules that came into effect in 2015 (Dutch Financial Assessment Framework), the board of your fund was able to grant a partial indexation (0.17%). This edition of PensioenKompas provides further details. We are also informing you about the pension build-up reduction that applies in 2016, which is also related to low interest rates.

Another article explains why your fund invests in part (4%) in hedge funds. There is an interview with board member Marcel van Dam and you are also invited to visit the website and view 'My pension planner'. This planner shows the effect of the various options on your personal pension situation, such as the possibility to take early or later retirement.

And there is always our 'Notice board', the section for notices placed by collectors, for reunions and trying to get in touch with former friends and colleagues. And while we're on that subject, you may remember the article in the previous PensioenKompas by Kim Le Cao, who, as one of the Vietnamese boat people, was rescued by a Dutch vessel. After almost forty years, she hoped to find her rescuers using PensioenKompas. You can read what has happened on page 20.

Erwin Cramer,
Director, Bpf Koopvaardij
Management Division



4 Interview

He is a real union man who attaches great importance to solidarity, which is one of the reasons why he represents employees on the Bpf Koopvaardij board. Even so, Marcel van Dam never needs to play the activist or take a hard line. Politics are irrelevant, he confirms, it's more about having a well-thought-out policy. Rely on good sense and do so on time, that is his message in this interview. In particular, think about your pension at an early stage. And his advice to employers, start thinking now about the advantages that someone in the final years of their career may have for your company.

‘Think about your pension at an early stage’

‘**T**he time at which you retire is an individual choice and no two situations are the same. Some have hefty mortgages and children still studying while others do not have partners. People differ in the way that want to arrange their finances. People want to have more choice, so a pension tailored to individual needs is now more appropriate. I am therefore convinced that even more things will change. The possibilities for part-time pensions will increase, we may even see people being able to invest their contributions as they wish. That's something the political establishment will have to decide.

There will have to be a proper balance between individual options and solidarity. If I am asked to outline my preferred pension scheme, I always favour solidarity. There are always those who think, “that won't happen to me.” So they don't bother to arrange a pension if they are working abroad. But I know from my experiences at the union what can go wrong. I have known people who opted for sailing under a foreign flag because the wages were

higher. But they didn't have any pension build-up or occupational disability insurance. If something happens and you are declared unfit for work, you only have social benefits to fall back on.’

Board task

‘Arrangements relating to pensions are made by the collective agreement parties. As the pension fund board, we implement those arrangements. There is little political influence involved.

So my union background and the fact that I represent the employees is not so significant. Previously, deals were occasionally struck when the board met. The social partners agreed a contribution reduction – which was good for the employers – and a pension indexation – to keep the employees happy. But that's no longer possible. The first step is an arrangement between the collective agreement parties, in which the board's role is purely advisory. And it is up to the fund to decide whether pensions are indexed or not. That is subject to a statutory framework that we have to adhere to.’



Marcel van Dam (53)

Works at Nautilus as a director and collective agreement negotiator. He has also been a board member at Bpf Koopvaardij since 2012, where he is responsible for the pension matters and communication portfolio. This year, he is expected to start his second four-year term in office. He lives in Barendrecht, he is married and has a son aged 7.



‘When you are young, you tend to underestimate the importance of your pension’

0,17 %

‘The fact that the pensions are now being increased by 0.17 % is the result of a calculation. You could call it a symbolic increase. But you could also say: at least we’re doing something. I assume that our pensioners have heard that other funds have even had to reduce pensions in the past few years. Seen in that context, we are doing reasonably well.

The appreciation for Bpf Koopvaardij and the confidence in the fund are therefore high, we are one of the best performing funds in this respect. In some ways it’s rather unnerving, because it takes a lot of skill to remain at that top level.

The risk in this sector is that we price ourselves out of the market. You are operating in a very international arena. If you agree wage and employment conditions that are too favourable, a lot of the work disappears abroad. As a union man, that’s something I am very much aware of. A vessel can be reflagged very easily.’

Sailing

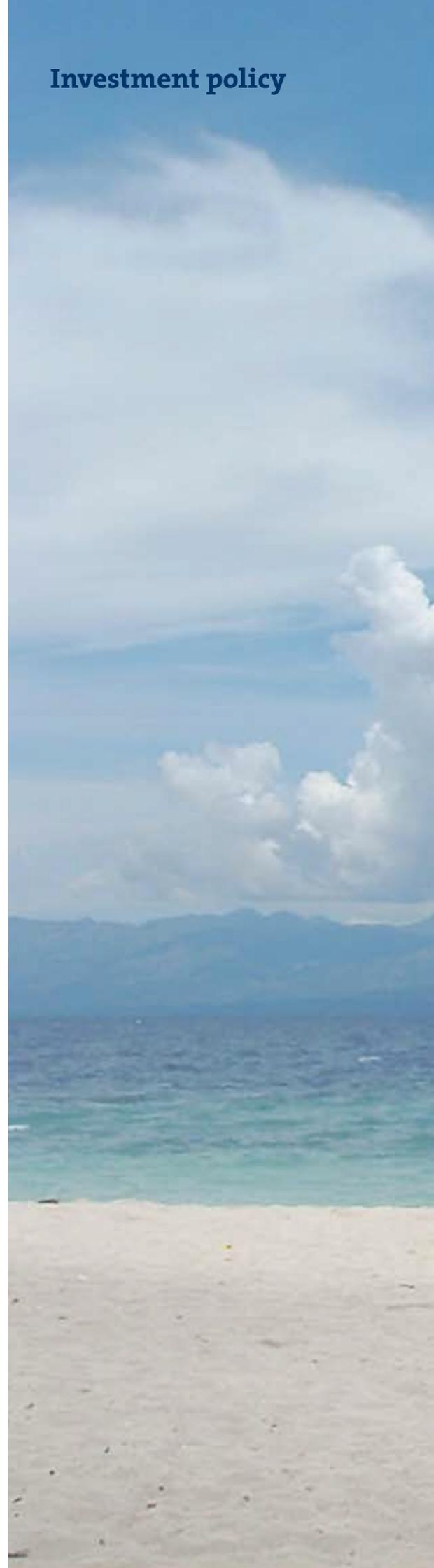
‘From 1985 to 1989, I worked in the merchant shipping sector as a helmsman. You could argue that such a period was too short. Most seafarers continue to sail or transfer to a job onshore after a few years. My girlfriend at the time wanted to see more of me. I had to opportunity to work for the seafarers’ union as a deputy secretary. I was already participating in collective agreement negotiations and on that basis I gradually became involved with pensions.

At first, I wondered whether I had made the right choice, not so much because of the type of work but rather the rhythm involved. I was very used to working four months on followed by two or three months off. When you’re on board, you work hard. But when I was on leave, I wasn’t really thinking about my work.

That still applies, and that’s why you tend to see mainly older employees at meetings. It is always difficult to interest younger employees. When you are young, you tend to underestimate the importance of your pension. I don’t want to sound paternalistic, but I will say it nevertheless: if you wait until you are fifty before you start thinking about your pension, you really are too late.’

Finishing line

‘On average, people in the merchant shipping sector retire between the ages of 62 and 63, although that age is gradually increasing. At the same time, it remains a physically demanding occupation, with many dropouts due to motor dysfunctions. Ensuring that people can be employed sustainably is therefore one of the greatest challenges in this sector. Dropouts and sickness are terribly expensive for employers, so it’s really in their interests that everyone reaches the finishing line in a healthy condition. Some shipping companies are more innovative and have more possibilities in this respect than others. You have to try and offer customised solutions. Part-time sailing is a possibility on ferry services. A seafarer with a knee complaint must preferably be employed on a vessel with a lift. You have to be aware that not everyone who drops out can be accommodated at the office. And in this case too: think about it before it’s too late.’



Why do we invest in hedge funds?

A number of Dutch pension funds have recently announced that they wish to stop investing in hedge funds. Hedge funds are considered complicated and expensive and do not always yield the expected returns. Bpf Koopvaardij does invest in hedge funds. In this article we explain why.

In a previous PensioenKompas (August 2014), you could read that one of the asset classes in which Bpf Koopvaardij invests is hedge funds. This involves the part of the portfolio that is intended to gain extra return. The same applies to investments in equity and real estate. That extra return is vital as we wish to be able to increase your pension on a regular basis.

What are hedge funds?

In this context, hedging means covering or reducing financial risks. Hedge funds therefore focus on restricting market risks. Just like equity and bond funds, they are investment funds offered by financial institutions. The investment objective constitutes an important difference. Equity and bond funds aim to beat a benchmark*. Hedge funds aim to achieve an absolute return target. If, for instance, the equity benchmark achieves a return of -10% and an equity fund achieves -8%, that fund has performed reasonably according to its own objectives. It has, after all, beaten the benchmark by 2%. For hedge funds, a result of -8% is considered poor.

Hedge fund objective

Even in less favourable periods, in which the financial markets were characterised by a downward trend, a significant number of hedge funds stood out in a positive sense by achieving good returns. The investment objective of the

hedge fund class in which Bpf Koopvaardij invests is: *"Improving the risk/return profile in the return- portfolio (the portfolio in which as much return as possible is achieved) by means of generating low-correlated investments that cannot be achieved in the long term in traditional asset classes and which derive from the specialist knowledge and skills of managers."*

In summary, equity and bond funds, as a result of their aim of beating a benchmark, are almost entirely dependent on the movements in the market in which they are active. The risk consists mainly of the market risk. If share prices fall, equity funds will also fall. On the other hand, hedge funds try to cover undesirable risks as much as possible and try to achieve a positive result within the opportunities that are presented by doing so. In a period in which equity performs badly, hedge funds generally score better.

Hedge funds versus equity

An overview of our hedge fund investments compared with the MSCI World equity index is presented on the next page. This index is considered the most important indicator for the performance of equity worldwide. Hedge funds do not or hardly mirror the movements of equity markets. Hedge funds also have a considerably lower volatility than the equity index. The volatility of the equity index is more than three times that of hedge funds.

* A benchmark is a pre-determined yardstick with which the performance of an investment portfolio or investment fund can be compared.

8 Investment policy

Figures at the end of Q3 2015	Hedge funds	MSCI World index
Return in the past three months	0.22%	-8.34%
Return in the past twelve months	2.97%	-4.58%
Year-to-date return	0.65%	-5.65%
Extent of volatility	4.72%	15.74%

Where do the difficulties lie?

The difficulties presented by hedge funds lie in the investment strategies. Many strategies can be distinguished within the hedge fund category. For instance, one strategy exploits the unbalanced pricing of related securities. Businesses sometimes issue various types of shares and the valuation of those shares varies. A hedge fund benefits from those unnecessary and illogical differences in value.

Another strategy exploits specific events that impact a business. These include acquisitions, mergers, new share issues, etc. And there are far more strategies used by hedge funds. In general, hedge fund managers are very specialist asset managers who have proved capable of implementing these complex strategies over a long period and gaining satisfactory returns, while closely monitoring the risks.

Several of these strategies are applied in the case of the € 130 million (approx. 3.5% of the total assets invested) that Bpf Koopvaardij invests in the Mn Services Hedge Funds fund. It is also good to know that when selecting its managers, this fund applies the principles of socially responsible investment as an important criterion.

Hedge fund fees

The management costs are also an important point of attention. The costs for hedge funds are substantially higher than those that pension funds pay for other investment classes. A 2% fixed costs fee and a 20% performance fee are no exception. However, it should not be forgotten that major parties, including MN (that manages this portfolio on behalf of Bpf Koopvaardij), negotiate lower fees in a number of cases and that the hedge fund sector is under a great deal of pressure to reduce its costs.

Various steps have been taken to bring about a total reduction in costs. For instance, all managers have been sent a letter in which they are urged to lower costs. Discussions are also being held with established parties about setting up new funds (with a lower fee structure). A lower fee can also be obtained by replacing managers, although the quality of the manager will remain leading. Consultations are also being held with managers about an alternative division between the fixed and the performance fee.

Despite the high costs, we see that investments in hedge funds make an important contribution to the return and the spread of our investments. That is why Bpf Koopvaardij opts to invest in hedge funds that contribute to the employed by Bpf Koopvaardij for this investment class.

Characteristics of the hedge fund investment class

In addition to the expected contribution to the return, hedge funds are also an investment class that:

- brings about spread compared with other investments in our return portfolio;
- can also achieve a solid return even under poor market circumstances;
- can also achieve extra return because hedge funds consciously choose different options.

Customer panel is looking for seafarers

The Bpf Koopvaardij customer panel has been launched and the first meeting will be held shortly. However, the panel still has two vacancies for seafarers. Would you like to be our new panel member?

The customer panel has been set up to help improve the pension fund communication, to discover what is going on and to identify the needs. The panel can advise the board and is occasionally asked to assess communications, such as letters, forms, e-mails or website texts. After all, is our communication always transparent? Do we succeed in describing pension details in clear language? Are there subjects that should be included in PensioenKompas? We want to hear about this from the panel members.

Four panel members have already come forward

There was a good response to the request for panel members in the previous PensioenKompas. Four people came forward as candidate panel members. They included two pensioners, a seafarer's widow and someone holding an onshore position in the merchant shipping sector.

They have now received and completed the first questionnaire. The four members of the pension council that are responsible for the communication and pension administration portfolio are also on the panel.

Contributing as a 'remote' panel member is possible

The panel's activities consist of completing a questionnaire about twice a year and one meeting a year to exchange ideas.

Unfortunately, no seafarers have come forward, even though contributing remotely (in a literal sense) is possible. Everyone will understand that meetings will not always fit into someone's sailing schedule. Nevertheless, for a proper reflection of our customers, we would like to see two seafarers on the panel.

Will you be the seafarer that joins our customer panel?

Do you find it important and interesting to join the discussion about our communication? Would you like to give us your opinion of pension matters occasionally? If so, please contact Doro Oppelaar, e-mail: dop@bpfkoopvaardij.nl, tel. +31 20 586 66 51.



Remember: not every partner receives a benefit

The partner's pension is part of the Bpf Koopvaardij pension scheme. This is the benefit that a partner may receive following a death. But that does not automatically mean that your partner too will also receive a benefit after your death. Your partner will receive a benefit only if he or she meets all the conditions.

It can happen that several times a year our fund receives a request for the payment of a partner's pension that it cannot grant. That is unfortunate and results in a great deal of incomprehension. We understand that it's very frustrating following a death to hear that no partner's pension will be paid out. But we as a pension fund cannot pay out a partner's pension to people who are not entitled to it in accordance with the pension scheme rules.

Who does Bpf Koopvaardij see as your partner?

Your partner is the person, before you pension commences:

- to whom you are married;
- with whom you have a registered partnership or;
- with whom you have been cohabiting subject to a cohabitation contract for at least six months. The cohabitation contract must have been drawn up by a civil-law notary. You must also be registered at the same address at the municipality. Your partner may not be a relative or a relation by blood in the direct line.

Have you retired and are you cohabiting?

If you are not married, if you do not have a registered partnership or if you have not concluded a notarial cohabitation contract with your partner before you retired, your partner will not be entitled to a partner's pension when you die.

If we had to pay a benefit to people who are not entitled to it, that would have consequences for the contribution

When determining the level of the pension contribution, we take account of the risk that we have to pay a benefit. Such as a partner's pension benefit. If the fund had to pay more people than permitted in accordance with the rules, that would have consequences for the pension contribution. That is why we pay benefit only to those who are entitled to a partner's pension under the pension scheme rules.

Because we wish to avoid several partners being disappointed this year too, we show using three examples when do and when we do not pay partner's pension.

Must you register your partner at Bpf Koopvaardij?

Are you married or do you have a registered partner and you live in the Netherlands? In so, you do not need to inform us regarding your partner. We receive this information automatically from the Persons Database (BRP). If you conclude a notarial cohabitation contract, you must inform us about this, because a notarial cohabitation contract is not registered in the BRP.

Maak kennis met:



Kees
age 56
Working

The partner of Ria, not previously married

Married on 09-11-2001

Is Ria entitled to a partner's pension?
YES

According to the pension scheme rules, Ria is the partner of Kees because they were married on 9 November 2001. Kees and Ria are therefore already official partners before Kees retires.

If Kees dies now or when he has retired, Ria will be entitled to a partner's pension from Bpf Koopvaardij.



Gerard
age 70
Retired on 01-04-2013

The partner of Marja, since 1985, not previously married

Cohabitation contract since 21-06-2014

Is Marja entitled to a partner's pension?
NO

Marja is the partner of Gerard, but not according to the pension scheme rules. Bpf Koopvaardij cannot consider Marja as the partner according to the rules because they concluded a cohabitation contract after Gerard retired. The fact that they have been together since 1985 is irrelevant.

When Gerard dies, Marja will not be entitled to a partner's pension from Bpf Koopvaardij.



Maxim
age 67
Retired when he was 62

Samen met Kim, niet eerder getrouwd geweest

Married when Maxim was 65

Is Kim entitled to a partner's pension?
NO

Kim is the wife of Maxim, but not a partner according to the pension scheme rules. Bpf Koopvaardij cannot consider Kim as the partner according to the rules because they married after Maxim retired.

When Maxim dies, Kim will not be entitled to a partner's pension from Bpf Koopvaardij.

Do you live abroad?

If so, you must always inform us of changes to your civil status. You do this, for instance, when you marry, enter into a registered partnership or a notarial cohabitation contract or if you get divorced. We do not receive this information automatically. For this purpose, contact our Service Desk.

If you die, your dependants must inform us.

Register your partner yourself if:

- you conclude a cohabitation contract
- you live abroad

Do you wish to know more about partner's pension?

You will find more information about partner's pension on our website at www.koopvaardij.nl. Go to 'I work in the merchant navy - About pension - Pension for your family'. If you have any further question about the partner's pension you are building up, please contact our Service Desk.

‘I want to expand until I have a portfolio of 15 vessels’

More than two hundred employers are affiliated to the pension fund. Who are these companies and what do they do exactly? This time we are visiting VMS Shipping Group in Werkendam.

Werkendam has an idyllic location on the edge of the Biesbosch wetland national park. A great many of the more than 11,000 inhabitants earn their living in the inland shipping sector. There is an old and a new port that are both a hive of activity. One of the companies in that sector is **VMS Shipping Group**, owned by Erik van der Wiel, who was born and bred in Werkendam. It has been in existence only for three years and has plenty of ambition.

Van der Wiel (40) welcomes us in his office in the old port in the Veka Scheepsbouw building, which is right next to the Havenzicht café. There are five staff members at VMS, which currently handles the total ship management of eight seagoing vessels. “We perform all ship management activities, with the exception of chartering,” Van der Wiel explains.

VMS Shipping Group focuses on four aspects of ship management. “We take care of the entire nautical engineering side. That means that we ensure that the ships are completely in order from a technical point of view. We handle purchasing, maintenance and we ensure that any damage is repaired. Secondly, together with the VMS Crew department (that is fully MLC 2006 certified), we screen and provide the crew for the vessels. For this

purpose, we have contacts all over the world, from the Philippines to Russia. Thirdly, we offer what we call ‘compliance management’. This means that we check that all certificates and permits are in order. It is vital to exercise strict supervision. Finally, we deal with the financial aspect. This involves the entire accounting associated with having a vessel in active service.”

Skipper by birth

The owner of VMS Shipping Group knows what he is talking about. Having been born into a skipper’s family, Van der Wiel’s nautical future was assured. “My parents had their own inland waterway vessel. I was at boarding school here in Werkendam. But I often stayed on board my parents’ ship, of course. That’s where I learnt the tricks of the trade. On shore I gained all the required diplomas. I worked in the inland shipping sector until I was 23, after which I was asked to work on seagoing vessels. That was a great experience, it was really different. The sea means more freedom. At that time, I was a relief crew member and I guided coasters along the route from Dordrecht to Mannheim.”

“At a certain point and with the support of partners, I had my own vessel built: the Vantage. Between 2007 and 2012, I sailed on that boat as its captain and owner.



**VMS
Shipping
Group**

Set up
Registered office
Staff
Vessels under
management

Shipping company
Fiorano:
Vantage C.V.:
Shipping company
Vanquish:
Bijlberg C.V.:
Virage C.V.:



VMS Shipping Group office
Far left: Erik van der Wiel

2012
Werkendam
Five
Eight (including
two UK vessels)
and the company's
own ship:
'Vantage'

2 participants
2 participants

2 participants
no participants at
present
no participants at
present

It was a busy life. Six weeks on board and six weeks at home. I employed one captain and my wife did the accounting. In 2012 – we now had two young twin daughters – I was asked if I wanted to take over the management of several vessels. That would mean a job on shore.”

“My wife and children were very enthusiastic and partly for that reason I decided to change direction and set up VMS. In addition to my own ship, the Vantage, I now manage eight ships, including vessels of shipping companies that were looking for an independent firm. Ambitious plans have been made for 2016. VMS is now certified for managing UK vessels. I am already managing two and I am keen to expand. My aim is to have a portfolio of 15 vessels within about three years, with at least two people in every position. In other words, two for the accounting, two for the crew, etc. There are just five of us at present, which makes us somewhat vulnerable.”

Independent

VMS Shipping Group has not yet had to resort to advertising, the expansion from two to eight vessels in the past three years took care of itself. “I see that shipping companies appreciate the fact that we are an independent actor. Independent ship management companies are scarce in the Netherlands.” I experienced it myself when I was still sailing with the Vantage. You entrust your ship to a company that is involved in both commercial and ship management, and that does not always bring the best results for a small-scale outsider. For such companies, you are simply a small, unimportant player. That is comprehensible, but you notice it nevertheless,” Van der Wiel explains. Van der Wiel often collaborates with Nednor from Groningen, a venture he enjoys. Nednor is not active in ship management, only in chartering. “I think such a collaborative venture has a great deal to offer, with each company having its own expertise. And if you both have positive experiences, you can occasionally help one another to find clients. This way of working creates a win-win situation.”

The destination of your pension voyage, part 2:



Calculate for yourself the

Are you already thinking about your retirement? Before you retire, you can make a number of choices regarding your pension. In the follow-up to 'The destination of your pension voyage', we explain the various options. You can then see which destination suits you best. This article contains an overview of pension options.

Everyone has his or her own pension voyage. The voyage consists of work and personal situations that influence the build-up of your pension. There is also the matter of what can you do with your pension. It is first important to map out your personal situation. For this reason, we listed a number of questions for you in the PensioenKompas edition of September 2015. For instance: What do you want to do when you retire?

How much money will you need? From what age will you be receiving your state pension? What is the pension situation of your partner? Keep these questions in mind when considering the pension options at Bpf Koopvaardij and the effect of these choices on your pension.

You state your pension choices on the application form for your pension

You will receive a letter from us containing the pension possibilities and an application form six months before you reach state pension age. Indicate on the form whether you wish to use these pension options. If you do not use these options, you will be automatically choosing our standard pension proposal. The pension will then commence when you reach your state pension age.

Remember: you can make your pension choices only once

Once you have indicated your choices on the application form and have requested your pension, you cannot make any changes.

effect of your pension choice

The pension choices at Bpf Koopvaardij

1. Bringing forward or postponing your occupational retirement pension

The standard retirement age is 67. However, you may opt to retire earlier. If you take early retirement, your pension will be lower, because you will be receiving your pension over a longer period. In the case of this option, we advise you to consider it at an early stage in order to take the necessary steps. Do not wait until you receive the letter and the application form for requesting your pension.

You may also postpone your pension until the age of 70 at the latest if you continue to work within the merchant shipping sector or outside the sector. If you postpone your pension, your pension will be higher. After all, you will then be receiving your pension over a shorter period.

2. Dividing your pension

You can also opt to divide your pension. If you have no other benefits in addition to your pension, e.g. you are not yet receiving state pension, you can arrange your pension to fit this situation. You can opt to exchange part of your occupational retirement pension for more pension temporarily until you reach state pension age. You will then receive less pension from the time you reach state pension age.

You can also opt to receive a higher pension for a certain period first followed by a lower pension. This could be the case, for instance, if you think you need more money in the first years of your retirement for your mortgage or for travelling the world. We call this a high-low occupational retirement pension.

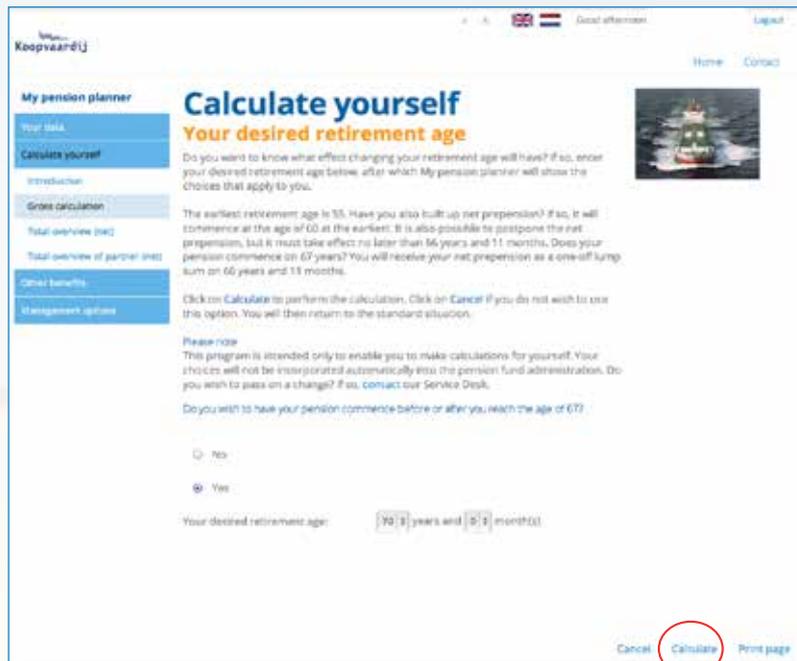
3. Continuing to work while receiving pension

You can continue to work in the merchant shipping sector even though your pension already commenced when you reached the age of, for instance, 63. In that case, you remain a member of our pension scheme and you therefore continue to build up pension. This pension build-up will stop as soon as you reach the age of 67 or if you stop working before then. If you stop working before you reach the age of 67, you must inform us of this. Remember that until 1 July 2016, continuing to work while receiving pension is not permitted if you retire before the age of 60. From 1 July 2016, continuing to work while receiving pension will no longer be permitted if you wish to retire more than five years before you reach state pension age.

4. Exchanging partner's pension

In addition to your occupational retirement pension, you have also built up pension for your partner following your death. This is called partner's pension. You can exchange this built-up partner's pension. If you do not have a partner or if your partner already has sufficient income, you can opt to exchange all or part of your partner's pension for extra occupational retirement pension. Remember when making this choice that your partner will receive less pension or no pension at all when you die.

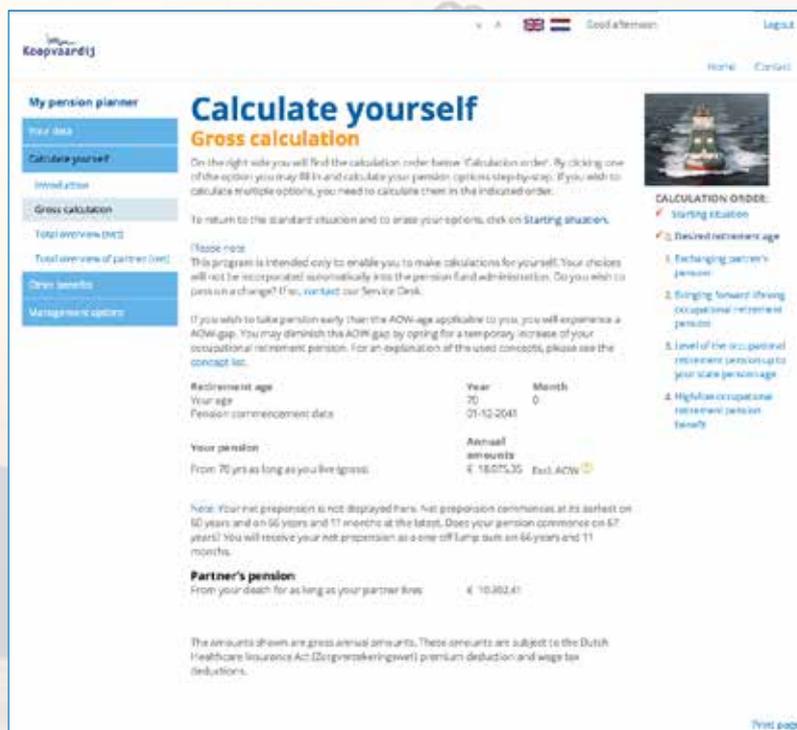
A reverse exchange may be made in exceptional cases. If you have sufficient occupational retirement pension, you can exchange part of it for extra pension for your partner. If you select this option, your partner will receive a higher partner's pension after your death. This is possible as long as the new partner's pension is no more than 70% of the occupational retirement pension. The partner's pension, together with any special partner's pension, may be no more than 100% of your occupational retirement pension.



Have you built up net pre-pension?

Up to and including 31 December 2014, you built up net pre-pension at Bpf Koopvaardij in addition to your occupational retirement pension. The net pre-pension scheme no longer exists.* The net pre-pension that you built up in the period up to 1 January 2015 has been converted into a net pre-pension from the age of 62 to 67. That means that you will receive this pension as a standard benefit from the age of 62 to 67. You can also have the pension commence earlier, but no earlier than from the age of 60. You can also postpone the commencement date to no later than one month before you reach the age of 67. If you have built up net pre-pension, you will receive a letter from us six months before you reach the age of 62, indicating the possibilities.

* The net pre-pension scheme no longer exists and therefore does not apply if you only became a member of the Bpf Koopvaardij pension scheme as from 1 January 2015.



See the effect of pension choices in My pension planner

You can easily calculate the effects of your pension choices using My pension planner on our website. The planner contains your personal details. You can easily see the effects that the various pension choices* have on your pension. All calculations you make are for your own use. Your pension details and pension will not be altered as a result. If you wish to inform us of a change in your personal details, please contact our Service Desk.

My pension planner shows you if a pension choice suits you and what this means for you. You can therefore be properly prepared when it comes to requesting your pension.

Would you like more information?

More information about pension choices is available on our website at www.koopvaardij.nl Go to 'I work in the merchant navy – What to do when – you are close to retiring'. If you have any further questions, please contact our Service Desk on +31 088 007 98 99 or servicedesk@koopvaardij.nl.

* Unfortunately, it is not possible for the time being to calculate the high-low occupational retirement pension option in My pension planner. If you are curious about the possibilities of a high-low occupational retirement pension, please contact our Service Desk.

What will the pension build-up reduction mean?

As of 1 January 2016, the build-up rate of your occupational retirement pension was reduced from 1.875% to 1.604%. This means that you are building up less pension than last year. The change does not affect the pension that you have built up in the period up to and including 31 December 2015.

How does the pension build-up work?

Every month, you and your employer pay an amount to Bpf Koopvaardij: the pension contribution. The part that you pay is indicated on your salary slip. Every year, the money from this pension contribution is used to build up a small part of your pension. As of 1 January 2016, the build-up rate was reduced to 1.604% of the pensionable earnings.

Suppose your gross annual salary is € 45,000. To calculate your pension build-up you must first subtract the state pension offset of € 12,953 (2016) from your salary. Your pension build-up in 2016 would then be $(€ 45,000 - € 12,953) \times 1.604\% = € 514.03$. In other words, the amount that you will receive annually after you retire is growing in 2016 by € 514.03.

Pension contribution and build-up are again in balance

The social partners in the merchant shipping sector (employers' and employees' organisations) jointly determine the details of the pension scheme. They have agreed that a certain part of your salary is intended for the pension contribution. As a result of the low interest rates, that pension contribution is not enough to build up the same pension as in 2015. The lower interest rates mean that for every euro of pension build-up, more money is now required.

The social partners have indicated that they cannot increase the pension contribution. That is why the pension build-up in 2016 is less than in 2015. The pension contribution and the pension build-up are now more in balance as a result.

*Ask yourself a question: 'How much pension will I need when I retire?'
You can save more by means of an annuity or a savings account.*

Visit My pension planner for your personal pension situation

To see your pension, go to My pension planner on our website. It is important that you have an understanding of your own pension situation. Ask yourself how much money do you think you will need when you retire. What are your housing expenses? Is the pension you are now building up sufficient for your future plans. Is it enough? These are issues that you need to deal with now.

If you think that your pension will be insufficient when you retire, you still have time to take steps. By, for instance, saving using an annuity or a savings account. You can also ask your employer whether you can continue working after your scheduled retirement date. In this way, you can keep control over your pension.

Net pension on your 2016 benefit payment overview may be lower

Do you receive a benefit from Bpf Koopvaardij? In that case, you received a benefit payment overview (BPO) from us in January. On 1 January 2006, the Dutch Healthcare Insurance Act [Zvw] came into force. This act states that healthcare insurance is obligatory for everyone who lives in the Netherlands and has an income. You pay a personal contribution for this obligatory healthcare insurance. The government decided that your own healthcare insurance contribution in 2016 would increase from 4.85% to 5.50%. That means that the net pension on your BPO may be lower. Furthermore, the tax rates were adjusted as of 1 January 2016. On the basis of these new rates, we calculate the amounts that we withhold from your benefit payments. The changes to the tax rates may influence the level of your pension benefit payment.

The rates applicable to you depend on your age and income. For more details, go to www.belastingdienst.nl.

The financial situation of Bpf Koopvaardij

By means of PensioenPeiling, PensioenKompas and our website, we are keeping you informed of developments regarding the financial situation of Bpf Koopvaardij. The funding ratio is an important indicator for the financial situation of the pension fund. It expresses the relationship between the assets and the pensions that Bpf Koopvaardij must pay out now and in the future. For instance, if the funding ratio is 105%, that means that for every € 100 that Bpf Koopvaardij has to pay out in built-up pension entitlements, there must be € 105 in assets at that time.

Current funding ratio

The funding ratio is 110.3% as of late December 2015, which is a fall compared with the funding ratio as of late November 2015 (110.9%).

Policy funding ratio

Since 1 January 2015, as a result of the introduction of the new Financial Assessment Framework, all pension funds have had to use the policy funding ratio.

The policy funding ratio is the average funding ratio of the past 12 months. The starting point is the previous 12 current funding rate figures. The policy funding ratio is more stable than the former funding ratio. In the former situation, a change in assets or liabilities had an immediate effect on the funding ratio. As a result, the funding ratio could fluctuate strongly within a short period due to movements on the financial markets. In the new situation, the fluctuations will be smaller because of the 12-month average. The policy funding ratio is the funding ratio used since 1 January 2015 at the Dutch Central Bank when assessing whether or not pension funds have to reduce pensions. The policy funding ratio in late December 2015 was 112.2%. This is a fall compared with the policy funding ratio in November 2015 of 112.6%.

The developments of the funding ratio and the policy funding ratio can be seen each month on our website at www.koopvaardij.nl

Your built-up pension has been increased by 0.17%

As of 1 January 2016, your built-up pension was increased by 0.17%. That means that the pension that you have built up in the period up to and including 31 December 2015 will be raised. This applies to the following pensions:

- built-up pension/prepension of active members*
- built-up pension/prepension of former members*
- co-insured entitlement to surviving dependants' pension (partner's and orphan's pension)
- effective pension/prepension, surviving dependants' pension (partner's and orphan's pension) and disability pension

Your pension can be increased only if Bpf Koopvaardij has sufficient funds. Our policy funding ratio must then be 110%. We do not expect the policy funding ratio to increase sharply in the short term. You must at least take into account in the next few years that we may not be able to increase your pension or increase it only by a small amount.

Bpf Koopvaardij has increased your built-up pension in the past three years as follows:

- for 2014 by 0.49% for active members and 0.29% for pensioners and former members. Prices increased by 1.0%;
- by 0% for 2013. Prices increased by 2.5%;
- by 0% for 2012. Prices increased by 2.5%.

* You are an active member if you participate in the Bpf Koopvaardij pension scheme. You are a former member if you no longer participate in the pension scheme.

The Bpf Koopvaardij pension council consists of representatives of employees, former employees, pensioners and employers: a total of twelve council members. The pension council advises on Bpf Koopvaardij policy and on the choices that the board makes for the future. Every annual report of the pension fund contains the pension council's assessment of a variety of subjects, including the board's response.

From the pension council

The pension council likes to keep you informed about its recent activities.

On behalf of the pension council, Rob Vlietman and Roelof Eltingh

- A number of us are involved in the readers' panel, which was recently renamed the customer panel of Bpf Koopvaardij. This panel reads and assesses the communications of the pension fund. Comments and suggestions of the panel are used to ensure that messages are communicated as clearly as possible.
- Detailed consultations have been held with the relevant portfolio holders on the board about asset management. The fund returns and the costs incurred have been assessed. The Netherlands Authority for the Financial Markets (AFM) also expects costs to be indicated transparently (per investment category). The stock markets are quite volatile at present and interest rates are low. This, of course, has financial consequences for our fund and for the funding ratio. For those interested: the funding ratio is published on a monthly basis at www.koopvaardij.nl.
- The meetings of the pension council are followed by knowledge sessions. During these sessions, we deal with various subjects in detail. The pension council has already gained expertise level 2, which means that the desired expertise is available on the council.
- We have discussed risk management, with the various risks our fund runs being assessed (e.g. IT risk, integrity risk). We have also discussed real estate. Bpf Koopvaardij invests in direct real estate (buildings) and indirect real estate (listed funds). Listed real estate is often liquid, in other words: it can be traded directly. This applies to a far lesser extent to direct real estate.
- Communication has also been discussed in the context of the new Dutch Pension Communication Act [Wet pensioencommunicatie], which came into force on 1 July 2015. Both our website (in Dutch and English) and www.mijnpensioenoverzicht.nl are subject to this act. The line of communication can therefore be continued and the pension 1-2-3 (as it's called) will be introduced. This is a national model for pension communication, developed by the Federation of Dutch Pension Funds and the Association of Insurers. The essence of this model is that the communication has three layers, with members being able to choose the desired level of detail. Layer 1 is simply the outline ('the pension scheme in 5 minutes'), layer 2 includes an explanation ('the pension scheme in 30 minutes') and layer 3 contains the details.
- We have worked our way through the many pension scheme rules documents to convince ourselves that the agreements reached between the social partners have been detailed and formulated satisfactorily and that they remain, of course, possible to implement.

Special reunion

With a notice in the previous edition of *PensioenKompas*, Kim Le Cao hoped to find the Dutch crew who rescued her and the rest of her Vietnamese family in the South China Sea in the summer of 1976. First helmsman Roel Jager was quick to respond.

It was rather exciting. After she placed her notice in the previous edition, there was a flood of reactions. 'People who wanted to help me, someone who asked me to let them know how things turn out, someone who once had a group of 133 boat people on board. But no match. I was quite moved by the fact that people were so interested.'

And then Roel Jager got in touch. 'He knew for sure', she explains. 'At the time, he had the most contact with my father.' And that contact continued even after

the rescue. Apparently, he had even visited the Cao family in the year after their ordeal in Friesland where they were living. But Kim Le was only four at the time and strange to say her parents never said anything about it later on.

After a busy exchange of e-mails, the 42-year-old from Amsterdam finally met her rescuer in late January. Roel Jager with his wife and son, Kim Le with her mother, sister, two brothers and with the next generation. Everyone was, of course, interested in this amazing story.

The Cao family reunited with one of their rescuers





Kim Le Cao between her father and sister

Roel Jager



'I was on holiday when that edition of PensioenKompas was published', says Roel Jager. 'But when I came home somebody called: 'Roel, there's someone looking for you'. There was no doubt about it. The 71-year-old from Grootebroek was first helmsman on the ship and could be recognised (left, squatting) on the photo. He no longer has any contact with the crew, but other colleagues from that period drew his attention to the notice. And he immediately decided that it would be nice to see the Cao family again.'

'It was very special', says Kim Le. 'And enjoyable. You first talk about general things, but later we were able to ask a great many questions. My oldest brother was eight when we were rescued, so he had the clearest memories. I don't remember anything at all. I now know far more, even though there's still a lot to talk about. We have agreed to keep in touch.'

The most touching was when Kim Le heard how much luck they had at the time. 'Roel Jager said that we 'wouldn't have survived' in the boat we had. That really makes your flesh creep. It appears that we had plugged a leak in the boat with a bag of rice. And we had already been at sea for seven days, rather than 'just five days', as my parent always said. The crew thought that the women in particular looked very weak. That's true. My mother does not tend to show her emotions. But if I asked her what was going through her mind at that time, she said she was really ashamed of her appearance.' One of the things that Kim Le heard from her father was that he really didn't want to go to the Netherlands. 'He had heard that there was a communist party here. That fact that it was only a small party and that it was not in power was oblivious to him or it made no difference. Communism was something he was trying to get away from. He had wanted to go to America and we were welcome there, but because my uncle was not allowed to enter the country, so we eventually ended up in the Netherlands.'

To complete the story: Mr Van Dun, who was second helmsman at the time, also responded to her notice. She quotes his e-mail: 'The children always came to my cabin in the afternoon and I gave them Coca-Cola and peanuts when I came down from the bridge at 4 p.m. I would like to hear how things are with you.' Kim Le Cao hopes to meet him shortly. In any event, her search was successful and she would like to thank everyone who gave their help and support.

'I have that photo too. I immediately recalled the images in my mind, and I was quite emotional.' When they finally met, Jager saw two adult women that he rescued as toddlers from the sea. 'Everything surfaced again', he says a few days later. 'Like I said to Kim, when we found them their prospects looked very bleak. They had problems with the engine, they were sailing the wrong way, the boat was leaking and they had far too little water and food on board. They wanted to go to Malaysia, but they were heading for the Philippines. They would have had to circumvent many reefs and it would have taken them a week. The boat would never have lasted that long.'

It was only natural to take the refugees on board once the crew saw the condition they were in. The Shell tanker 'Kelletia' was sailing under a Dutch flag from Singapore to Japan. The family of Kim Le and the friends of her parents were put on land at Yokohama, which was where the ship was heading.

As there were no facilities for refugees at that time, it took three days before the refugees could leave the ship and before reception facilities could be provided. That meant three days delay for the ship, which is why Shell wanted no publicity.

Jager was later involved on two other occasions in saving refugees from the sea, once with the same captain, Mr Verhoeven. 'That involved a group of sixty to seventy people. That time we were sailing under a Liberian flag, so they did not end up in the Netherlands.'

He has the most vivid memories of that first rescue. That was also because he received so a gripping letter of thanks from Kim Le's parents when they were allowed to go to the Netherlands after seven months in Japan. Jager visited the family on one occasion in 1977, but they soon lost contact. 'My Vietnamese is not so good', he jokes.

Until the notice in the autumn, the e-mail exchange and that special Saturday in January. And a visit is planned for next summer to Mr Cao, Kim Le's father, on whose boat they were fleeing at the time. As a result of sickness, he could not attend the reunion, but Jager is going to visit him 40 years on in Leeuwarden.

Standing from left: Kim Le Cao, her oldest brother Sang and youngest brother Li.

Front from the left: Ms and Mr Jager, Ms Cao and Lan, the sister of Kim Le.

Changes to your pension scheme rules

2015 pension scheme rules

Key figures

As of 1 January 2016, the build-up rate of your occupational retirement pension was reduced to 1.604%. The maximum annual wage in 2016: € 84,286.14 (€ 230.29 per day).

The annual state pension offset amount in 2016: € 12,953.00 (€ 35.39 per day).

Dutch Tax and Customs Administration comment

In 2015, the pension scheme rules were submitted to the Tax and Customs Administration for assessment. The Tax and Customs Administration commented that a provision must be included stating that the pensionable pay may never be more than the amount stated in Section 18ga of the Dutch Wages and Salaries Tax Act 1964 [Wet op de loonbelasting 1964] (€ 101,519).

Fiscal adjustment of the 40 membership years pension (40MYP)

The 40MYP enables employees to retire at the age of 63.5 while retaining 70% of the most recent wage. If this wage is higher than the maximum wage, we take the maximum wage as a basis. A condition is that the employee must have served 40 membership years somewhere in the Netherlands on which pension was built up. On the basis of tax legislation, the 40MYP must keep in line with the annual increase of the state pension age. In 2016, this is 65 years and six months. The required number of membership years is increased as a result to 40.5 and the age to 63.5 (Section 20 of the pension scheme rules).

2016 limit amount for commutation

The limit amount for the commutation of small pension entitlements has been set in 2016 at € 465.94. In 2015, this was € 462.88. The limit amount for 2016 has been included in the pension scheme rules.

Updating of factors and years

In the appendices to the 2015 pension scheme rules, the various 2016 applicable factors have been included. In the text of the pension scheme rules, years have been adjusted in several places as a result.

Miscellaneous

- A provision has been included stating that occupationally disabled members must request non-contributory membership from the fund themselves.
- As a result of tax-related legislation, the voluntary continuation of membership must follow on directly

from the terminated mandatory membership.

- The possibility of indexation has been included in the VPL scheme.*
- The term 'implementation agreement' has been added (Section 1).

2015 prepension scheme rules

2016 limit amount for commutation

The limit amount for the commutation of small pension entitlements has been set in 2016 at € 465.94. In 2015, this was € 462.88. The limit amount for 2016 has been included in the scheme rules.

Updating of factors and years

In the appendices to the 2015 prepension scheme rules, the various 2016 applicable factors have been included. In the text of the prepension scheme rules, years have been adjusted in several places as a result.

WGA shortfall scheme rules **

- *Adjustment of the membership age limit to the amended mandatory membership*
The age limit for the mandatory membership of Bpf Koopvaardij has been set as of 1 May 2015 to 67. The mandatory membership applies to all pension schemes. That is why the age limit for the WGA shortfall scheme rules has been adjusted to 67. The voluntary continuation of the WGA shortfall scheme is linked to the continuation of the standard pension scheme. Here too, the age limit has been adjusted.
- *Adjustment of the benefit payment age limit to the state pension retirement age*
The entitlement to an occupational disability benefit as a result of the WIA ends no later than the day on which the person in question reaches state pension retirement age. Consequently, the WGA shortfall scheme rules now include a provision that the WGA shortfall benefit will end no later than on the day that the person entitled to the benefit reaches state pension age.
- *Tightening of voluntary continuation provisions*
Finally, the provisions relating to voluntary continuation have been tightened. As a result, there can be no misunderstanding regarding the fact that the voluntary continuation of the WGA shortfall scheme membership is linked to the membership of the basic scheme of the



Do you have nice photos or stories? Are you looking for former colleagues? Or do you wish to announce a reunion? You can post messages by going to www.koopvaardij.nl/prikbord. Or send an e-mail to servicedesk@koopvaardij.nl, and who knows, perhaps your story might be in the next PensioenKompas. The editors reserve the right to change or shorten your text.

Wanted:

Articles for Dutch merchant shipping home museum

I (former seaman Nievelt) have a small home museum about the Dutch merchant shipping sector. Who still has merchant shipping articles to expand my small-scale museum? I will welcome all related articles, e.g. cutlery, crockery, glass, uniforms/buttons/emblems/caps, photos, documentation, etc. If possible, I will come and collect them myself.

Jan Verhoeven
tel. +31 13 455 60 77
jantje.verhoev@home.nl



Wanted:

Captain Rieksen, KNSM

In the 1960s, I sailed with the KNSM as a helmsman. In that period, I made two voyages under the leadership of Captain Rieksen. During one of those voyages, Ms Rieksen and their two young boys were on board. When tidying up, I discovered a few photos of the family. Has anyone got an address for me?

Ruud den Hoed
denhoed@planet.nl

Wanted:

Maas van der Glind

I am looking for Maas van der Glind. We sailed together on the Neder Waal. I was on board from 3 December 1971 to 27 May 1972. Maas (3rd mechanical engineer) and his wife Carla were on board during a later period. When looking for things relating to my period at the SMN and Nedlloyd, I discovered a few things that may interest Maas and Carla (photos and muster rolls). At the time, they lived in Badhoevedorp. I hope to receive a reply!

Gijs van der Starre (1971: 4th mechanical engineer Neder Waal) gijs.starre@xs4all.nl

fund. The maximum periods for which voluntary continuation of the membership of the basic scheme can take place are also applicable to continuation of the membership of the WGA shortfall scheme.

* VPL stands for the Dutch Early Retirement, Pre-pension and Life Course Savings Act [Wet aanpassing fiscale behandeling VUT/ prepensioen en introductie Levensloopregeling – VPL]. For members born in the period from 1 January 1951 up to and including 31 December 1972, a conditional scheme has been adopted (VPL scheme). On the basis of this scheme, members may, under conditions, obtain extra entitlements to occupational retirement pension and surviving dependant's pension.

** WGA stands for Return to Work (Partially Disabled Persons) Regulations [Werkhervatting Gedeeltelijk Arbeidsgeschikten]. This is part of the Dutch Work and Income (Fitness for Work) Act [Wet Werk en Inkomen naar Arbeidsvermogen - WIA]. Bpf Koopvaardij offers, under conditions, a WGA shortfall scheme as a supplement to the WGA follow-up benefit.

In the next PensioenKompas

More digitisation to provide you with a better service

Digital communication is now embedded in our society. For this reason, Bpf Koopvaardij will be introducing further digitisation this year to provide you with a better service and to save paper. More digitisation means we can inform you quickly and easily of matters that are important and interesting for your pension. We are also working on a personal section on our website where you can arrange your pension affairs yourself. We will, of course, keep you informed of developments. You can read more in the next PensioenKompas.

E-mail us about your subjects for PensioenKompas

Would you like to read more about a certain subject in the next edition? Or do you have a special story to tell or photos for PensioenKompas? If so, send an e-mail to servicedesk@koopvaardij.nl. Who knows, perhaps we can use your tip.



Koopvaardij

Stichting Bedrijfspensioenfonds voor de Koopvaardij
PENSIOENKOMPAS