

Frequently asked questions on the Correction to the Pensioenstabilisator

This document contains answers to frequently asked questions on the Correction to the Pensioenstabilisator.

1. Who is this information for?

This information applies to you if you have any of the following products with us, including through a current or former employer:

- Persoonlijk Pensioen Plan individueel
- Persoonlijk Pensioen Plan collectief
- Pensioen Continu Plan

2. What exactly has happened?

Between 2008 and mid-May 2015, Delta Lloyd Leven (now NN Leven) used what is known as the Pensioenstabilisator for lifecycle investing in the above defined-contribution pension schemes. The Pensioenstabilisator is intended to limit as far as possible the risks from falling interest rates and, consequently, of a lower pension. The Pensioenstabilisator has not been used in new contracts or renewals since mid-2015, when it was replaced in both cases by investment in NN Pension Stabilisation Funds and there has now been a change to NN Liability Matching Funds.

At the end of last year, we discovered that there was an error in the way our Pensioenstabilisator operated. It meant that the wrong prices were being used and this may have led to the value of investments being too low. As a result, you may hold or have received less pension capital than you should have under the administration agreement.

3. What is the Pensioenstabilisator?

As part of your defined-contribution scheme, you are building up investments and you have to use the value of those investments to purchase a lifelong pension on your retirement date. Apart from the value of your investments, the level of the pension depends partly on interest rates and general life expectancy on your retirement date. You can buy more pension when interest rates are high than when they are low. The Pensioenstabilisator ensures that a change in interest rates will have very little effect on the level of the pension.

4. How did you find out about the error?

NN Leven was asked about the difference in price movements between the Pensioenstabilisator and a similar fund. Further to this, we investigated the matter and discovered that the way the prices were set in the Pensioenstabilisator was not correct.

5. What does this mean for the value of my investments?

If you are or were a member of a defined-contribution scheme in a Persoonlijk Pensioen Plan collectief, Persoonlijk Pensioen Plan individueel or Pensioen Continu Plan product, the error in the way the Pensioenstabilisator operated may have led to the value of your investments being too low because of the wrong prices. As a result, you may hold or have received less pension capital than you

should have under the administration agreement, but only if you were investing through the Pensioenstabilisator. In the neutral lifecycle this happens in the final 15 years before your pension starts to be paid. The Pensioenstabilisator 'kicks off' earlier in cautious lifecycles and later in adventurous lifecycles.

6. Where can I see the corrected prices in the Pensioenstabilisator?

The right prices in the Pensioenstabilisator are available on www.nn.nl/fondsen-en-koersen, where you can also see the date the prices were corrected.

7. I do not invest in lifecycles but have opted for Self-investment. Am I also affected by this error?

You may also be affected by this problem if you have opted for Self-investment. This will be the case if you decided to invest part of the capital and/or premiums in the Pensionstabilisator. During August and September, we will be investigating how to make a correction for people who have opted for Self-investment.

8. What is Nationale-Nederlanden doing about the error in the way the Pensioenstabilisator operated?

We are correcting the error in the way the Pensioenstabilisator operated in two stages:

1. We have adjusted the prices in the Pensioenstabilisator from 1 January 2019 so that they are correct from that date. We did this on 25 May 2020.
2. Since we corrected the prices from 1 January 2019, we also have to correct the preceding period. We are doing this by increasing the value of your investments with a one-time deposit on 1 January 2019 and of course we are taking account of any returns you may have missed out on. The main principle for correction to your policy is that you receive what you are entitled to.

All this means that the correction to the value of your investments has been backdated.

9. Will I always see two corrections?

No. This will depend on the period in which you had investments in the Pensioenstabilisator. If you stopped investing in the Pensioenstabilisator on or before 1 January 2019, we will only make a correction for the past. The first stage of the correction, the price adjustment at 1 January 2019, will not apply to you. The letter we will send you about the correction will only explain the second stage: the one-time deposit.

10. Where can I see the value of my investments?

Once you have received a letter about the correction, you will be able to see the current value of your investments on your personal pension page on mijn.nn.nl

11. How is my pension affected?

As a result of the correction to the value of your investments, the pension that you purchase on your retirement date will be calculated using the right value and so your pension will be higher.

12. I have already received a letter about purchasing my pension. Is it still right?

About six months before you retire, we send you a letter about purchasing your pension and all the options you have. In due course, we send you an offer setting out the level of your pension. We use the corrected value of your investments in that offer and the calculation of your definitive pension.

13. Questions

We will be pleased to help if you call us on +31 (0)88 663 60 00 or send an email to pensioen@nn.nl.