

Stichting Shell Pensioenfond

YOUR PENSION IN IMAGES



What our pension scheme gives you



When you retire you receive a retirement pension.



In the event of your death your partner will receive a Partner's pension and your children will receive an Orphan's pension.



If you become disabled you will be entitled to a disability pension. In that case your pension accrual continues, but you are not required to pay any contributions towards this.



If you would like to know exactly what our pension scheme offers please see the pension regulations.

What our pension scheme does not give you

This component does not apply to your pension scheme.

You are accruing a retirement pension, partner's pension and an orphan's pension. Your pension scheme also provides a supplement to the statutory disability benefit if you become (partially) disabled. Furthermore, you don't have to pay pension contributions in that case whereas your pension continues to accrue (partially).

How you accrue pension



You accrue pension in three ways:

- A. AOW: you receive this pension from the Government. You can read more about AOW at www.svb.nl.
- B. SSPF Pension. You accrue this pension at Shell. Pension 1-2-3 is about this.
- C. Individual pension For example an annuity or bank savings.



Each year you accrue part of your pension. The amount of pension is based on your average salary during your Shell career. You will receive this life-long pension from your retirement date. This is called an average salary scheme.



You accrue part of your final pension annually on your pensionable salary up to the permissible tax threshold. On pensionable salary up to € 30,000 (2017 figures) you accrue 1.12% per annum. On the portion of your pensionable salary between € 30,000 (2017 figures) and the permissible tax threshold you accrue 2.05% per annum.



You pay a pension premium every month, as does your employer. The contribution is a percentage of your pensionable salary up to the permissible tax threshold. The total contribution at SSPF is 17.4%. You pay 2% of the contribution and your employer pays 15.4%. The contribution you pay is shown on your pay slip.

What are your options?



If you change jobs you can transfer your accrued pension to your new pensions administrator.



You accrue pension on your salary up to the permissible tax threshold. If you earn more, you can opt to participate in the Shell net pension scheme.



The retirement age at SSPF is 67. You can retire earlier (55) or later (70).



You can exchange part of your retirement pension for a partner's pension.



You can convert, or partly convert, your partner's pension into your own retirement pension.



If you would like a higher income for your initial years of retirement followed by a lower income for the rest of your life, you may choose the high/low option. The converse is also possible: low/high.

How secure is your pension?



It is possible that we will not be able to ensure that your pension benefit keeps step with inflation. SSPF has to deal with risks including:

- Interest-rate risk: low interest rates make pensions more expensive. SSPF then needs more money in order to pay the same pension.
- Investment risk: our investments could underperform.
- Longevity risk: average life expectancy is increasing. Therefore we have to pay pensions longer.



We ensure that active participants' entitlements keep pace with the development of the majority of salary scales of Shell Nederland every year. This is called indexation. This adjustment is applied automatically (unconditional indexation). Last year, pensions for active participants were indexed as follows:

Year	Indexation	Development salary scales Shell Nederland
2017	0%	0%
2016	0%	0%
2015	1.0%	1.0%



We try to ensure that pensions in payment and deferred pensions keep pace with the derived consumer price index every year. This is called indexation. This is only possible if the financial situation at SSPF is good enough. This adjustment is not automatic, the Board decides whether the adjustment will be applied each year (conditional indexation).



No reserves are set aside for this indexation and no contributions are paid. The Pension Fund pays future increases to your pension from return on investment. Due to an increase already allocated and the expectations for the next couple of years, you will not immediately be entitled to increases in the future.

In recent years we indexed pensions for pension beneficiaries and former participants as follows:

Year	Indexation	Ambition
2017*	0.6%	0.6%
2016	0.1%	0.1%
2015	0.2%	0.2%
2014	0.4%	0.4%
2013	1.5%	1.5%
2012	0%	2.2%

*In 2014 catch-up indexation was applied equal to half of the 2.2% indexation that was not granted in 2012, over and above the regular indexation. The indexation hiatus is now still 1.1%.

If, at any time, the funding ratio at SSPF is lower than legally permitted that is a shortfall. SSPF has a guarantee that Shell will make additional payments. If there is a deficit Shell will make additional payments to the Pension Fund under certain conditions.

What costs we incur



SSPF incurs the following costs in administrating the pension scheme:

- Pension management costs
- Asset management costs
- Transaction costs

When do you need to take action?



If you get married, start cohabiting or enter into a registered partnership.



If you get divorced, cease cohabiting or terminate a registered partnership.



If you move abroad.



If you become unemployed.



If you become disabled.



If you change jobs. You can transfer your accrued pension to your new pensions administrator.



Check once per year how much pension you have accrued at www.mijnpensioenoverzicht.nl.



Contact us if you have any questions or are making use of the initiative and/or key choice dates. We will be pleased to help.

WHAT OUR PENSION SCHEME GIVES YOU



Retirement pension

If you work at Shell and entered company service before July 1, 2013, you accrue a retirement pension with SSPF, which you will receive when you turn 67. Your retirement pension supplements AOW. You receive AOW pension benefit from the Government when you reach the statutory retirement age.

The amount of pension you will receive from SSPF depends primarily on the amount of salary that you have earned, the details of the pension scheme in which you participate and the number of years that you have been a participant. The retirement pension is paid to you monthly from the age of 67, for the rest of your life. The amount of retirement pension is stated on your Uniform Pension Statement, on www.mijnpensioenoverzicht.nl, and in our Pension Calculator.

If you did not transfer your pension entitlements accrued up to 31 December, 2013, to Regulations VI you have a deferred pension under Regulations V. More information can be found on the page 'If you did not transfer per 31 December 2013'.



Partner's and orphan's pensions

If you work at Shell and you entered company service before July 1, 2013, your partner is entitled to a Partner's pension and your children are entitled to an orphan's pension in the event of your death. In the event of your death, a Partner's pension is paid out for the rest of your partner's life. If your partner is under 67, he/she will also receive a temporary partner's pension.

In the event of your death, the orphan's pension is paid out until your child turns 18. For as long as your child is attending a course of study, he will receive this pension until the end of the month of August following his 24th birthday.

You can read more about this in the SSPF Pension Regulations. The amount of pension for your partner and children in the event of death is shown in your Uniform Pension Statement and on www.mijnpensioenoverzicht.nl.

If you die, your partner may be entitled to statutory Surviving Dependants' benefit from the Government: the General Surviving Dependants Act (Anw) scheme. This is subject to conditions. Your partner must have been born before 1950 or have one or more minors to look after or be partially disabled. You can find more information about this on www.svb.nl.



Disability pension and continued non-contributory accrual of pension in the event of incapacity for work

If you are totally or partially unfit for work due to illness or disability, you are entitled to disability pension and continuation of your pension accrual without having to pay contributions yourself.

You can find more information about this on our website on the page about incapacity for work and in the Pension Regulations.



Pension regulations

If you would like to know exactly what our pension scheme offers please see the Pension Regulations.

WHAT OUR PENSION SCHEME DOES NOT GIVE YOU

This component does not apply to your pension scheme.

You are accruing a retirement pension, partner's pension and an orphan's pension. Your pension scheme also provides a supplement to the statutory disability benefit if you become (partially) disabled. Furthermore, you don't have to pay pension contributions in that case whereas your pension continues to accrue (partially).

HOW YOU ACCRUE PENSION



A. The General Old Age Pensions Act (AOW)

AOW is the statutory pension from the Government, for everyone who has lived or worked in the Netherlands between the age of 15 and the commencement age of AOW. The AOW commencement age is no longer the same for everyone. Consult the Social Insurance Bank (SVB) website for your AOW age.

AOW amounts are adjusted annually. For these amounts and further information about AOW please see www.svb.nl.

N.B: if you have not always lived in the Netherlands your AOW may be lower.

B. The pension you accrue at work

The amount of this pension is shown on your Uniform Pension Statement (UPO). You will receive a UPO once per year for as long as you accrue pension with SSPF.

The UPO shows the amount of retirement pension you have accrued and the pension you will receive at retirement if you continue to accrue at SSPF until that time. The UPO also shows details of Partner's and orphan's pensions, which are pensions for your partner and children if you die. See also www.mijnpensioenoverzicht.nl, where you will find an overview of the pension you have accrued with the employers you have worked for.

C. Supplementary pension arranged by yourself

You can arrange a supplement to AOW and the pension that you accrue at Shell. For example via Bank savings or insurance – such as an annuity.



You accrue pension in an average salary scheme

Under the average salary scheme you accrue some pension annually, a percentage of the pensionable salary that you earn in that year. The total pension that you accrue is the total sum of all years plus indexation. From your retirement date you receive this pension amount each month for as long as you live. This is called an average salary scheme. You will find more information about this on the average salary scheme page of our website.



Accrual percentage

You accrue part of your final pension annually on your pensionable salary up to the permissible tax threshold. On the portion of your pensionable salary up to € 30,000 you accrue 1.12% per annum. On the portion of your pensionable salary between € 30,000 and the permissible tax threshold you accrue 2.05% per annum. Further information is contained in the Pension Regulations.



You and your employer both pay for your pension

You and your employer pay pension contributions each month. You pay 2% and your employer pays 15.4%, which, in fact, is the cost of your pension. Your employer pays this pension contribution to SSPF each month. Your employer withholds your part of the pension contribution from your gross salary each month. The exact amount is shown on your pay slip. The contribution that your employer pays is not shown on your pay slip.

WHAT ARE YOUR OPTIONS?



Value transfer

If you move to a new employer and transfer to a different pension scheme you may opt to take your accrued pension with you. This is referred to as value transfer. You arrange this with your new pension provider. Find out about it in advance. Whether value transfer is good option depends partly on the financial situation of your present and new pension provider.

If you decide not to request a value transfer, your pension will remain with SSPF and will be paid out to you from retirement age. You will no longer pay contributions to SSPF and pension accrual will continue with your new employer.



Separate pension scheme if you earn more than €95.672

If your pensionable salary exceeds the permissible tax threshold (2017 figures: € 95.672 – equates to a pension base salary of € 91,269 plus standard Life Cycle Savings contributions of 3%), Shell offers you the opportunity to accrue pension on the portion of your salary that exceeds the pension threshold. Under the Shell net pension scheme, pension contributions are withheld from your net income, so after tax has been withheld. Conversely, pension benefits paid under that scheme are not taxed after retirement. You will find more information on the Shell Nederland Pensioenfonds Stichting website, the foundation that administrates this net pension scheme.



Your retirement pension commences on the first day of the month following the month in which you turn 67. With your employer's approval you can continue working after turning 67.

If you wish, your retirement pension can be deferred until you turn 70. If you defer your retirement, your accrued retirement pension is increased. Please see the Pension Regulations for terms and conditions for deferring a pension or visit HR online on the Shell intranet.

You can also opt to retire before you reach retirement age, but not before your 55th birthday. That means that your retirement pension will be lower, so early retirement does have financial consequences. Pension accrual ceases earlier and your retirement pension decreases. You must also take into account that AOW may commence later than your early retirement pension. Check www.svb.nl to see when your AOW commences.



Exchanging a retirement pension for a partner's pension

If you retire, or leave company service early and have too little or no partner's pension for your partner in the event of your death, you can exchange part of your retirement pension for a partner's pension. You will then receive a lower retirement pension, but your partner will receive a higher pension if you die after you retire.

N.B: this decision is irreversible! Any choice you make in this respect is final and may not be reversed.



Exchanging a partner's pension for retirement pension

You also accrue retirement pension in addition to a partner's pension. For certain reasons you may want to exchange a partner's pension for a higher retirement pension, your partner might have a good pension, or maybe you don't have a partner (any more).

N.B: this decision is irreversible! Any choice you make in this respect is final and may not be reversed. If you do have a partner they must agree to this decision. If you don't have a partner (any more) at the commencement date of your pension the (remaining) partner's pension is exchanged for a higher retirement pension.



Starting off with a higher or lower pension

If you need a slightly higher income for the first few years of retirement you can choose the high/low option. The converse is also possible: low/high.

N.B: this decision is irreversible! Any choice you make in this respect is final and may not be reversed.

HOW SECURE IS YOUR PENSION?



What are the risks?

Former participants and pension beneficiaries run the risk that pensions cannot be kept inflation-proof. The Board decides whether conditional indexation will be applied to deferred pensions and pensions in payment on an annual basis. The risks below may impact the Board's decision whether to grant indexation or not:

Interest-rate risk

Interest rates influence the value of pensions. Pension providers estimate how much money they will need to pay pensions in advance. The lower the interest rate, the more cash SSPF needs to eventually pay all pensions, so if interest rates remain low for a prolonged period it makes pensions more expensive.

Investment risk

Investments can also underperform. Therefore SSPF ensures that investments are spread across several types of investment. Return on one investment may compensate for losses on another. A pension provider can also hedge investment risks, costs are associated with this.

Longevity risk

At SSPF we take into account that younger participants will live longer than older participants. Each age group has a different life expectancy.

The increase in life expectancy is greater than the increase that we anticipated. If participants live longer, on average, their pensions have to be paid out for longer. SSPF then needs more money than was first calculated.

The above risks are the most significant risks that SSPF has to take into account, however, there are even more risks that SSPF has to take into consideration to protect pensions optimally. SSPF literally has to manage those risks. You will find more information about risk management at SSPF in the Statement of Investment Principles area of our website.



Prosperity-proof pension

Normally, money loses value every year. From one year to the next, the same amount will buy less than it does now. This is called inflation. A prosperity-proof pension is a pension that keeps pace with increases in the salary scales.

We ensure that active participants' entitlements keep pace with the development of the majority of salary scales of Shell Nederland every year. This is unconditional indexation. Unconditional indexation is adjusted automatically. This indexation is applied on February 1 of each year. Last year pensions for active participants were indexed as follows:

Year	Indexation	Development salary scales Shell Nederland
2017	0%	0%
2016	0%	0%
2015	1.0%	1.0%



Inflation-proof pension

Normally, money loses value every year. From one year to the next, the same amount will buy less than it does now. This is called inflation. An inflation-proof pension is a pension in which pension entitlements are increased annually by the percentage with which prices have risen. Each year we aim to keep deferred pensions and pensions in payment in line with the derived consumer price index for all households, as determined by Statistics Netherlands over the reference period from November of the year before last, to November of last year. We refer to this as our ambition. This indexation is conditional, the Board decides whether it will be applied.

No reserves are set aside for this indexation and no contributions are paid. The Pension Fund pays future increases to your pension from return on investment. Due to an increase already allocated and the expectations for the next couple of years, you will not immediately be entitled to increases in the future.

Indexation is applied on February 1 of each year. In recent years we indexed pensions for former participants and pension beneficiaries as follows:

Year	Indexation	Ambition
2017*	0.6%	0.6%
2016	0.1%	0.1%
2015	0.2%	0.2%
2014	0.4%	0.4%
2013	1.5%	1.5%
2012	0%	2.2%

*In 2014 catch-up indexation was applied equal to half of the 2.2% indexation that was not granted in 2012, over and above the regular indexation. The indexation hiatus is now still 1.1%.

You can find a more detailed summary of how SSPF indexed pensions in recent years in the Annual Report on our website.



If there is a deficit

Despite all precautions it may occur that SSPF has insufficient funds to pay all pensions in the long term. Action must then be taken. The Board has the duty to carefully consider what the best solution is: ask the employing company for additional contributions or not apply indexation to the pensions of retirees and former participants. The Board may also opt for a combination of measures or may also make other choices.

WHAT COSTS WE INCUR



SSPF incurs the following costs in administering the pension scheme. The administration costs include pension management, asset management and transaction costs.

Pension management costs - these include the costs of pension administration, communication, the Board, financial management costs and projects.

- Asset Management costs – these are the management costs of investments, including performance-related remuneration, custody fees and accounting and legal advice fees.
- Transaction costs – these are the costs incurred in buying and selling investments. These form part of the cost of the investments.

In the Annual Report you will find a breakdown of the costs we incur.

WHEN DO YOU NEED TO TAKE ACTION?



If you get married or enter into a registered partnership

If you work at Shell and entered company service before July 1, 2013, you accrue pension with SSPF. If you are married, your spouse is entitled to a Partner's pension in the event of your death. This also applies if you and your partner are in a legally registered partnership.

Living together

It may be that you are not married, but are living with your partner and have entered into a cohabitation agreement in which you have designated your partner as the beneficiary of a Partner's pension before a civil-law notary. If you wish your partner to be eligible for a Partner's pension in that case, you are required to enrol him/her with the Pension Fund. This is not done automatically.



If you are about to divorce or terminate your registered partnership

In the event of divorce both former partners are, in principle, entitled to half the retirement pension that was accrued during their marriage. This is realised pursuant to the Pension Settlement (Divorce) Act (Wet verevening pensioenrechten bij scheiding).

You may also make different agreements about the division. Partners may exclude each other from the right to a retirement pension in a prenuptial or postnuptial agreement or a cohabitation agreement, or they may expressly agree to waive this right in a divorce settlement agreement. In the case of a non-standard division you must send us an authenticated copy of the divorce settlement agreement or prenuptial or postnuptial agreement.

If you live in the Netherlands, the Pension Fund will automatically receive a divorce notification from your Municipality. You are therefore not required to notify the Pension Fund of this. If you live abroad, you must notify the Pension Fund yourself that you are separating. The same applies to registered partnerships.

If you have a cohabitation agreement and have enrolled your partner with us you must always inform the Pension Fund about the divorce yourself, whether you now live in the Netherlands or abroad.

Stop living together

If you separate and have a cohabitation agreement, there will be a Partner's pension for your enrolled partner. However, the retirement pension is not split and is intended entirely for you.



If you move abroad

Notify SSPF and discuss the consequences for your pension. Information about the consequences for AOW can be requested from the Social Insurance Bank. Or visit www.svb.nl.

N.B: even if you relocate within the Netherlands you must inform SSPF accordingly.



If you become unemployed

Pension accrual stops if you become unemployed. It is important that you assess the consequences of unemployment for your retirement pension, your Partner's pension and the orphan's pension.



If you become unfit for work due to illness or disability

If you become totally or partially unfit for work due to illness or disability and your employment is completely or partially terminated, you may be eligible for a disability pension from the Pension Fund. The level of this pension depends, among other things, on the incapacity for work percentage. For participants working in the Netherlands, the incapacity for work percentage is determined by the UWV.

While the disability pension is being paid, your retirement pension continues to accrue until the last day of the month in which you become 67. You are not required to pay any contributions towards this. Your retirement pension commences when you reach 67.

You can find more detailed information in the SSPF Regulations.



If you change your pension provider

If you move to a new employer and transfer to a different pension scheme you may opt to take your accrued pension with you. This is referred to as value transfer. You arrange this with your new pension provider. Find out about it in advance. Whether value transfer is a good option depends partly on the financial situation of your current and new pension provider.

If you decide not to request a value transfer, your pension will remain with SSPF and will be paid out to you from retirement. You will no longer pay contributions to SSPF and pension accrual will continue with your new employer.



Mijnpensioenoverzicht.nl

Check once per year how much pension you have accrued at different pension providers at www.mijnpensioenoverzicht.nl.



If you have any questions

If you were unable to find the information on our website please contact us. We will be pleased to help.