PENSION PLAN OPTIMIZATION IN NETHERLANDS

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ABSTRACT
In Netherlands pension funds are facing the problem of increasing gap between the value of assets and liabilities, towards the liabilities. This has in turn led to the funding ratio falling below 105%, forcing many of the pension funds operating under DB plans to increase the pension costs for the employer. This article focuses on the implications of the rising pension costs for the employer and the optimization required in the pension plans to recover from the increased pension costs risks.

KEYWORDS: Pension Plans, Netherlands, Defined Benefit, Defined Contribution, Ultimate Forward Ratio, Bulk annuity Plans.