

Pension fund for Dutch 'flexworkers' shelves plans to launch PPI

15 November 2013 By [Leen Preesman](#)



Flexsecurity, the €270m pension fund for so-called 'flexworkers' in the Netherlands, has shelved plans to convert itself into the new pensions vehicle PPI.

The scheme, which manages pensions for 55,000 flexworkers and 350,000 former flexworkers at the Randstad agency, is currently assessing whether it can continue implementing its pension arrangements on its own under a new board model, according to Raimond Schikhof, its director.

Schikhof said the main reason for the scheme's change of tack on the PPI was the complicated process for obtaining the necessary licence.

"We had hoped the supervisor DNB would treat us – as an existing pension fund – differently from any new commercial player," he said.

"Unfortunately, this appeared not to be the case. As the licensing process would have cost us at least half a million, our board has made a rational decision."

According to the director, Flexsecurity's main reason for transforming itself into a PPI was its wish to bring its board structure of equal representation in line with modern governance requirements

"Our board wanted to improve the expertise and availability of the board members," Schikhof said.

"That is why we are now headed for an independent board model, consisting of at least two independent professionals, which reports to a stakeholder body."

He said the new board option had been made possible by the governance legislation that will come into force on 1 July 2014.

Flexsecurity's PPI would have been the largest in the Netherlands, and was scheduled to start on 1 January 2014.

At the end of last year, Flexsecurity concluded a new five-year contract for risk insurance with Nationale Nederlanden (NN), and contracted out its administration to NN subsidiary AZL for a similar period.

The scheme placed its full asset management with Kempen Capital Management on 1 January.

Flexsecurity manages an age-dependent, collective lifecycle scheme, with an age group-related investment mix.