

Rates Spark: Tight timelines for Dutch pension reforms

The Dutch central bank may start sending out more approvals for the [transitioning of Dutch pension funds](#) from a defined benefit to a defined contribution model this week. But with the 1 January transition date fast approaching, we may also start hearing about more delays. Meanwhile, a US government shutdown could weigh on economic sentiment



Dutch pension funds will need clarity from the regulator ahead of the 1 January 2026 transition in order to avoid delays

Payrolls number could be the first casualty of a US government shutdown

Bond markets started the week slowly with a slightly bullish tilt. The focus is on the critical US data releases ahead, in particular the jobs report on Friday.

The fly in the ointment is the risk of a US government shutdown if parties fail to pass a continuing resolution. The very practical near-term implication is that the payrolls report will be delayed – the Bureau of Labour Statistics announced as much last night. Looking further ahead, the shutdown could even temporarily inflate the unemployment rate. But also threats by the White House of broader permanent layoffs amongst the federal workforce in case of a shutdown loom large. Depending on its duration, a shutdown could weigh on economic sentiment, where the outlook is already looking more uncertain and fragile, especially regarding the jobs market.

EUR rates will focus on inflation data with releases from Germany and France ahead of the eurozone data on Wednesday. Spain's data on Monday already showed headline inflation quickened less than feared, and core inflation even cooled slightly. European Central Bank chief economist Philip Lane did comment at the start of the week that he did not see any major risks to inflation in either direction. This supports the notion of the ECB finding itself in a good place policy-wise, but also leaving options open to respond in either direction. For now, it confirms the holding pattern that the market remains subscribed to, leaning only mildly towards the chance of another cut over the course of the next year.

Dutch pension funds will need clarity soon from the regulator to prevent transition delays

As we enter October, we expect to receive more clarity from the regulator (DNB) regarding approvals for the transition [of Dutch pension funds](#) on 1 January 2026. According to PensioenPro, DNB informed numerous funds about its ambition to share a verdict by 1 October, but a later date in October may be more realistic. Bouw was the first major fund to receive approval, but the second-largest PFZW (€250bn AUM), is still waiting.

With many pension funds aiming to send out example calculations soon, the timelines are getting increasingly tight. Pension funds have to send out these calculations to their participants at least one month before the transition date. Although most signals shared by pension funds still suggest the transitions are on track, we do see the risk of more funds opting for a delay. The majority of funds, however, are too small to have a material market impact, but larger ones, such as PFZW, could potentially trigger some 10s30s flattening if a delay were to be announced.

Getting approval from the regulator is the current hurdle, but also closer to the transition date, funds can decide to postpone the transition. Other aspects, such as IT systems and updated administration, have to be operationally ready and tested before making the change. To illustrate, two smaller funds decided to delay just two weeks before their intended transition date of 1 July 2025 due to administrative issues.

Tuesday's events and market views

EUR rates will focus on the preliminary inflation out of Germany, France and Italy, as well as speeches by ECB President Christine Lagarde and other council members, including Rehn

and Nagel.

The US will be looking at the JOLTS numbers for August and the Conference Board's consumer sentiment index, which is expected to soften somewhat. The Fed's Jefferson, Collins and Golsbee are scheduled to speak. Eyes will also be trained on the Hill, watching whether a government shutdown can be avoided as the 1 October deadline approaches.

Author

Benjamin Schroeder

Senior Rates Strategist

benjamin.schroeder@ing.com

Michiel Tukker

Senior UK & Eurozone Rates Strategist

michiel.tukker@ing.com

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