

# PENSION FUND RULES

effective from January 1, 2021

# CONTENTS

<b>I.</b>	<b>GLOSSARY OF TERMS</b>	<b>4</b>
<b>II.</b>	<b>General Information</b>	<b>6</b>
	Art. 1 Aim of the Collective Foundation	6
	Art. 2 Registration and Supervision	6
	Art. 3 Insured Persons	6
	Art. 4 Medical Certificate	7
	Art. 5 Start and End of the Obligation to Provide Security	8
	Art. 6 Insured Salary	9
	Art. 7 Voluntary Continued Insurance Cover upon Termination of Obligatory Pension	
	Insurance after reaching the age of the 58	10
	Art. 8 Old-age savings' capital and Retirement Credits	12
<b>III.</b>	<b>FINANCING</b>	<b>13</b>
	Art. 9 Start and End of the Contribution Obligation	13
	Art. 10 Financing	13
	Art. 11 The Amount of Contributions	13
	Art. 12 Entry contribution	14
	Art. 13 Buying-in for Purposes of Early Retirement	15
	Art. 14 Bookkeeping and Accounts and Investment of the Assets	16
	Art. 15 Financial Equilibrium	16
	Art. 16 Partial Liquidation	16
<b>IV.</b>	<b>PENSION BENEFITS</b>	<b>17</b>
	Art. 17 Insured Benefits	17
	Art. 18 Old-age Benefits	18
	Art. 19 Disablement Benefits	20
	Art. 20 Survivors' Benefits	22
	Art. 21 Vested Termination Benefit	26
	Art. 22 Pension compensation in the event of divorce or dissolution of a registered partnership	28
	Art. 23 Payment	30
	Art. 24 Crediting of Third-Party Benefits, Benefit Truncations	32

Art. 25	Claims against Liable Third Parties	33
Art. 26	Adjustment of Benefits to Developments in the Consumer Price Index	33
<b>V.</b>	<b>HOME OWNERSHIP</b>	<b>34</b>
Art. 27	Home Ownership	34
<b>VI.</b>	<b>PARTICULAR STIPULATIONS</b>	<b>36</b>
Art. 28	Obligation to Inform and Notify	36
Art. 29	Information for Insured Parties and Pension Recipients	37
Art. 30	Taxation Consequences	37
Art. 31	Data Protection and Confidentiality-/ Secrecy	37
<b>VII.</b>	<b>THE ORGANISATION OF THE FOUNDATION</b>	<b>38</b>
Art. 32	The Organs, Corporate Delegates and Authorised Signatories	38
Art. 33	Additional Rules and Regulations	39
<b>VIII.</b>	<b>FINAL PROVISIONS</b>	<b>40</b>
Art. 34	Administration of Justice	40
Art. 35	Application of the Rules and Regulations and the Filling of Loopholes	40
Art. 36	Updating the Rules and Regulations; Coming into Effect	40

**Appendix 1: Individual pension plans within the single pension fund**

**Appendix 2: to the Pension Scheme Regulations**

**Appendix 3: Partial liquidation**

**Appendix 4: Restructuring measures**

**Appendix 5: to the Pension Scheme Regulations**

# I. GLOSSARY OF TERMS

**OASI** | Federal 'Old-Age and Survivors' Insurance'

**Appendix 1** | Appendix 1 to the pension fund rules  
Appendix 1 defines the pension plan of the pension fund (benefits and financing plan)

**Employer** | Employers joining the foundation to provide occupational pension benefits for their workforces or as self-employed persons

**Employees** | are under a contract of employment with an employer

**Eligible spouse** | Divorced spouse or former partner who is entitled to a benefit from pension compensation in the event of divorce or termination of the registered partnership

**Professional Association** | Professional association of self-employed persons without a workforce – a pension solution created on the basis of a written agreement with the foundation, is provided

**BVG** | Swiss Federal Legislation on Occupational Retirement, Survivors' and Disablement Pension Stipulations of June 25, 1982

**BVG age** | Difference between current calendar year and year of birth

**BVG old-age savings capital** | The BVG old-age savings capital corresponds to the legally required minimum according to Swiss Federal Legislation

**BVV2** | Ordinance on Occupational Retirement, Survivors' and Disablement Pension Plans of April 18, 1984

**BVV3** | Ordinance on Tax Deduction for Contributions to Recognized Pension Plans of November 13, 1985

**Delegate** | An employee and a representative of the employer of each pension fund is elected by the Pen-

sion Fund Commission of the Pension Fund, to serve on the foundation boards

**General meeting of the delegates** | Meetings of the delegates for periodical election of foundation boards/ boards of trustees, unless elections are conducted by circular.

**Beneficiaries** | Persons insured by the foundation

**Registered partnership** | Persons with the civil status "in a registered partnership" according to Swiss Federal legislation on the registered partnership of same-sex couples of June 18 2004, are treated as spouses

**FZG** | Swiss Federal Legislation on the Vested Benefits in Occupational Retirement, Survivors and Disability Pension Plans from 17 December 1994

**FZV** | Swiss Federal Legislative Ordinance on the Vested Benefits in Occupational Retirement, Survivors and Disability Pension Plans from 3 October 1994

**Terms and conditions of business** | Business regulations for the pension fund commissions

**Hypothetical Termination Benefits** | Passive old-age savings capital, which the collective foundation continues to provide for the recipient of disablement benefits within the scope of their disablement

**DI** | Swiss Federal Disablement Insurance

**IVG** | Swiss Federal Law governing invalidity insurance from June 19, 1959 vom 19. Juni 1959

**Coordination deduction** | Deduction from annual wages and/or annual income to take into account the benefits provided by (state) social insurance

**MVG** | Swiss Federal Legislation on Military Insurance from June 19, 1992

**Organisational rules and regulations** | Organisational and Management Regulations of the foundation

**PartG** | Swiss Federal Partnership Legislation from June 18, 2004

**Assets pool** | Open or closed pool (separate accounts)

**Self employed** | Self-employed persons who join the foundation to provide for occupational pension benefits. The definition of a self-employed person for the foundation is the statutory definition according to the Swiss Federal AHV legislation Old-Age and Survivors Insurance

**Foundation** | UWP Collective Foundation, Basel, Switzerland

**The Foundation Board** | Supreme body of the collective foundation, which is composed in parity

**UVG** | Swiss Federal Legislation on Accident Insurance of March 20, 1981

**Insured person** | Employees or self-employed persons admitted to the foundation

**Insured Salary** | Insurance contributions and insured benefits are calculated on the basis of the annual salary, wage or income, less a coordination deduction from the insured income

**Pension Fund Commission** | The management organ of the pension fund

**Pension fund** | 'Pension fund' for the associated employer within the foundation which forms its own administrative unit

**WEF** | Enablement of home ownership

**WEFV** | Ordinance on the Enablement of Home Ownership by Means of Occupational Pension Plans from October 3, 1994

**ZGB (Swiss Civil Code)** | Swiss Civil Code of December 10, 1907

Persons with the civil status "in a registered partnership" are treated equally as spouses. This refers, among other things, to survivors, pension compensation when dissolving a partnership, as well as the requirement of approval of a cash pay-out of benefits, as well as pledging of old-age savings capital for the purposes of financing home ownership.

The language of the pension fund rules is intended to be 'gender neutral'. In all cases masculine references should be read as also including female insured persons.

## II. GENERAL INFORMATION

### Art. 1 Aim of the Collective Foundation

<sup>1</sup> The foundation has the purpose of implementing the obligatory and continuing occupational pension provision within the scope of the Swiss federal BVG legislation and its implementation rules.

<sup>2</sup> Self-employed persons and their workforces can be adopted. Self-employed persons without workforces can only be adopted by the foundation when their professional association has also contracted a pension solution with the foundation.

<sup>3</sup> The collective foundation will pay at least the benefits according to the BVG Legislation in every case. It can provide proof of performance at any time by carrying out a shadow calculation according to the legal requirements for each insured person and each pension recipient.

### Art. 2 Registration and Supervision

The collective foundation is recorded in the Register for Occupational Pension Schemes with the according state supervisory authority and is subject to statutory supervision.

### Art. 3 Insured Persons

#### 3.1 Inclusion in the Pension Plan

<sup>1</sup> Employees, who have reached 17 years of age but have not yet reached retirement age, and whose anticipated annual OASI contribution salaries exceed the minimum income amount, under Art. 2 and 7 BVG, are compulsorily insured against the risks of death and disablement. As of 1 January after reaching 24 years of age, they are also adopted into the pension fund. One continues to reserve the right to use any divergent stipulations in the pension plan (Appendix 1). Adoption commences at the date of inception of the contract of employment, but at the earliest on 1 January after reaching 17 years of age.

<sup>2</sup> Self-employed persons without a workforce who are members of a professional association, which have already contracted a pension solution with the foundation, can be adopted into the foundation.

<sup>3</sup> Self-employed persons having a workforce who voluntarily subject themselves to the regime of the Swiss Federal BVG legislation can also be adopted into the foundation together with their workforce.

<sup>4</sup> Voluntary insurance contracted under Paras. 2 and 3, commences on the agreed adoption date, but at the earliest on the first of the month in which the fully completed application is received by the foundation; but nevertheless subject to Para. 5.

<sup>5</sup> Adoption into the foundation for continued pension provision and/or for the insurance of benefit increases for benefits under the continued insurance cover, only becomes valid after a confirmation is issued by the foundation.

<sup>6</sup> Insured persons with birth defects, or insured persons who became disabled as a minor (see Art. 18, letters b and c of the Swiss Federal BVG legislation and Art. 23, letters b and c of the aforementioned BVG), will only be insured for survivors and disablement benefits under the BVG regime.

### 3.2 Exceptions

<sup>1</sup> The following are not insured:

- a) Employees who are at least 70% disabled as defined in DI as well as employees who are provisionally insured with another pension scheme under Art. 26a of the BVG legislation;
- b) employees who were partially disabled at the point in time of their adoption within the meaning of the Swiss Federal Legislation on Disablement Insurance (DI legislation) are included in the insurance insofar as their OASI amount of annual salary exceeds the minimum wage in accordance with Art. 7, Para. 1 of the Swiss Federal BVG legislation. This limit will be reduced accordingly by the sum of the partial pension entitlement. This reduction applies mutatis mutandis to persons during continued insurance under Art. 26a of the BVG Legislation;
- c) employees with a fixed-term employment contract of three months. When a contract of employment is extended for more than three months, the obligation to provide security commences on the date when the extension was agreed. If several consecutive positions with the same employer last longer than a total of three months, and no interruption exceeds three months, the employee is insured from the beginning of the fourth month of employment. However, if it is agreed before first commencement of work that the total length of employment is to exceed three months, the employee will be insured from the start of the employment relationship;
- d) Employees who do not work or are not expected to work permanently in Switzerland, and who are sufficiently insured abroad, when they submit an application for exemption to the collective foundation.

<sup>2</sup> The foundation does not provide voluntary insurance for employees who work for several employers at the same time, pursuant to Art. 46 of the Swiss Federal BVG legislation.

## Art. 4 Medical Certificate

<sup>1</sup> The foundation can request a medical examination for new applicants as well as in the case of increased demands for the provision of death and disablement benefit cover. The foundation can also extend this requirement to include all persons who apply for a voluntary continued pension scheme insurance cover, under Art. 47a of the Swiss Federal BVG legislation.

<sup>2</sup> The person to be insured should answer questions posed concerning his or her state of health, comprehensively and truthfully. The collective foundation is entitled to request a medical examination at its own expense.

<sup>3</sup> Without a written confirmation of admission from the collective foundation, benefits are limited to the statutory minimum according to the BVG Legislation. The foundation can, at any time, reject adoption into the foundation of an application for an increase in benefits from any voluntarily insured self-employed person.

<sup>4</sup> The foundation can make a limiting condition of five years cover for the risks of death and disablement, from the date of adoption and/or from the date of an increase in benefits. The benefits protection purchased by the termination benefits may not be reduced by any reservation on health grounds, unless such is already subject to another form of reservation. In this case, the already expired time of the reservation should be taken into consideration.

<sup>5</sup> The foundation only provides the statutory minimum benefits for the entire period entitlement when the health condition under reservation leads to death or incapacity for work during the reservation period, which in turn leads to death or disablement benefits.

<sup>6</sup> In cases of insurance for self-employed persons without a workforce, the death and disablement risk can be postponed on health grounds for three years at the most. Any such postponement is, however, not permissible when a self-employed person was obligatorily insured for at least six months and then applies for voluntary insurance cover within the subsequent twelve months.

<sup>7</sup> The insured person will be informed of any reservation after all the documents necessary for the decision of the adoption examination are made available.

<sup>8</sup> If the insured person does not disclose pre-existing health impairments (breach of notification duty), or if false information is given during the health check, death or disablement benefits can be reduced to the statutory minimum within 6 months of the collective foundation becoming aware of the breach of the notification duty.

## **Art. 5 Start and End of the Obligation to Provide Security**

### **5.1 Inclusion in the Insurance Plan**

Adoption commences at the date of inception of the contract of employment, but at the earliest on 1 January after reaching 17 years of age. These stipulations remain reserved according to Art. 3.1 as well as any divergent stipulations in the pension plan (Appendix 1).

### **5.2 End of the Insurance Obligation**

The insurance obligation ends when:

- a) entitlement to retirement benefits begins;
- b) the employment relationship is terminated; Article 7 of these present pension plan rules remains reserved;
- c) the minimum wage under the BVG legislation, is fallen short of according to the pension plan (Appendix 1).

### **5.3 Unpaid Leave**

<sup>1</sup> In the event of unpaid leave of up to one month, the insurance will continue to the previous extent as stipulated in the pension fund rules. There is no obligation to inform the collective foundation.

<sup>2</sup> The duration of any unpaid leave of more than one month should be reported to the collective foundation.

<sup>3</sup> A continuation of the insurance for a period of unpaid leave can only take place with the consent of the employer. The insurance will continue according to the agreement between the employer and the employee. The financing of the contributions and the extent of the insurance cover are regulated according to the pension plan (Appendix 1).

<sup>4</sup> The maximum duration of paid vacation is six months, subject to any divergent conditions in the pension plan (Appendix 1).



<sup>5</sup> Insurance can only be continued if the insured person has extended non-occupational accident insurance under Art. 3 Para. 3 of the Swiss Federal UVG legislation by appropriate agreement.

<sup>6</sup> The insured person can request that the insurance be suspended for the duration of the unpaid leave. If the insured person requests that the insurance be suspended, the foundation should be informed in writing before the unpaid leave commences.

#### **5.4 Follow-up Cover**

<sup>1</sup> The insured person remains insured for one month after the termination of the pension relationship in the event of disablement or death, but at the longest until the beginning of a new pension relationship.

<sup>2</sup> Insurance protection for self-employed persons terminates upon the date of termination with the foundation.

<sup>3</sup> If the degree of disablement of a recipient of disablement benefits increases after the end of the additional coverage period for the same reason, the disablement benefits are only increased within the framework of the statutory minimum benefits.

## **Art. 6 Insured Salary**

### **6.1 Eligible annual wages**

<sup>1</sup> Eligible wages generally correspond to the annual wages subject to, the OASI obligatory contribution income or OASI contributions that were agreed upon at the beginning of the year of a self-employed person. It is defined in the pension plan (Appendix 1). In the case of an employment relationship during the year, the wage is converted to an annual wage.

<sup>2</sup> For employees who are not employed on monthly wages, the annual wage is determined on the basis of the last known annual wage, taking into account the changes agreed for the current year.

<sup>3</sup> Income earned by the insured person from an employer not affiliated with the foundation cannot be taken into account for insurance purposes.

### **6.2 Coordination Deduction**

<sup>1</sup> The coordination deduction is defined in the pension plan (Appendix 1).

<sup>2</sup> For part-time employees, the coordination deduction is calculated in accordance with the pension plan (Appendix 1).

<sup>3</sup> In the case of partially disabled insured persons, the coordination deduction is reduced to the extent of the degree of disablement.

### **6.3 Insured Salary**

<sup>1</sup> The insured salary corresponds with the planned OASI annual salary for contribution purposes or the OASI annual income of self-employed persons for contribution purposes, reduced by the coordination deduction.

<sup>2</sup> The insured salary corresponds with the minimum amount according to Art. 8, Para. 2 of the Swiss Federal BVG legislation subject to any divergent rules as per the pension plan (Appendix 1).

<sup>3</sup> The insured salary is limited by the maximum insured salary under the pension plan (Appendix 1), and may not exceed the statutory maximum of Art. 79c of the Swiss Federal BVG legislation (being ten times the upper demarcated amount pursuant to Art. 8, Para. 1 of the aforementioned BVG legislation.).

<sup>4</sup> The statutory maximum under Art. 79c of the Swiss Federal BVG legislation includes all pension relationships of the insured person who has arranged insurance with one or several other provision institutions.

#### **6.4 Multiple Pension Plans**

If the insured person has multiple pension relationships and the total of all his or her salaries and income subject to OASI contributions exceeds ten times the upper demarcated amount under Art. 8, Para. 1 of the Swiss Federal BVG legislation, the insured person must inform each of his or her provision institutions about the total of his or her relationships, as well as about the amounts of salary and income insured thereunder.

#### **6.5 Continued Insurance of Previous Earnings in the Case of a Reduction in Salary**

<sup>1</sup> Insured persons, whose annual salary changes after he or she reaches the age of 58, by up to a half at the most, can require that the pension insurance for a maximum of the previous insured earnings be continued up and until the statutory retirement age at the latest.

<sup>2</sup> The insured person makes up the employer and employee contributions covering the difference between the reduced insured earnings and the previous earnings. The financing of the contributions calculated on the reduced insured earnings will be undertaken according to the pension plan (Appendix 1).

<sup>3</sup> The insured benefits for the risks of death and disablement are calculated from the sum of the reduced insured earnings and the hypothetical insured earnings.

### **Art. 7 Voluntary Continued Insurance Cover upon Termination of Obligatory Pension Insurance after reaching the age of the 58**

---

<sup>1</sup> Insured persons who depart from obligatory insurance upon reaching the age of 58 because a contract of employment was terminated by the employer, can continue to receive insurance cover voluntarily to the full previous extent. Self-employed persons are not permitted to continue to insure voluntarily under Art. 7.

<sup>2</sup> Applications for continued voluntary insurance cover should be submitted to the foundation, by the end of the time period of employment at the latest, accompanied by the letter of termination of employment from the employer, and in cases of immediate dismissal within one month of the notification of the dismissal. Should an insured person fail to submit any such notification to the foundation in due time, the insurance contract will be immediately terminated by the foundation.

<sup>3</sup> Continued voluntary insurance cover and contribution obligations commence on the day after termination of the contract of employment.

<sup>4</sup> The insured person is entitled to build up additional old-age capital by paying supplementary contributions during this continued voluntary insurance. The termination benefit remains with the foundation. When an insured person contracts with a new provision institution, the termination benefit will be transferred in its entirety to the new provision institution by way of buying into the full regulatory benefits in the new provision institution under the rules of the new trust. The insured salary will be reduced to correspond with the transferred termination benefit received.

<sup>5</sup> The insured person pays risk insurance contributions corresponding to the employee and employer risk insurance contributions according to the pension plan (Appendix 1). When the insured person proceeds to extend the pension plan, he or she then also pays the corresponding employee and employer old-age capital savings contributions according to the pension plan (Appendix 1). The foundation then determines the maturity dates for the contributions and invoices the insured persons directly.

<sup>6</sup> An insured person can voluntarily insure for the whole pension plan, or only for an old-age pension at a lower insured amount than his or her previous salary. Insured persons should select the type of insurance cover required, once and for all, at commencement of the voluntary continued insurance. Any subsequent increase in the amount of an already reduced salary basis is no longer possible later.

<sup>7</sup> Any voluntary continued insurance contract terminates without any follow-up cover upon death, upon suffering from at least a 70% disability, as well as upon reaching the statutory pensionable age according to the pension plan rules. Partial retirement claims to the foundation are not possible. When an insured persons contracts with a new provision institution for insurance cover, the contract with the foundation is terminated when the full regulatory benefits purchasable is more than two thirds of the termination benefit. Any residual amount of the termination benefit after a buy-in transfer to a new provision institution to obtain full pension fund insurance will serve as an old-age pension benefit. The insurance conditions of Para. 9 are valid analogously here.

<sup>8</sup> Notice of termination of the pension insurance can be given at any time at the end of a month by the insured person or by the foundation, when contributions are unpaid. When notice is given to terminate a voluntary continued insurance contract, an old-age pension will be paid provided that a claim to an old-age pension exists under the pension fund rules at the date of termination. Otherwise, a termination benefit will be granted. The same applies for any part of a termination benefit which cannot be used for a buy-in purchase into a new provision institution to obtain full regulatory benefits.

<sup>9</sup> When a voluntary continued pension insurance contract has lasted for more than two years and a claim to an old-age termination benefit exists under the pension plan rules, the insurance benefits are to be taken as a pension subject to the pension plan (Appendix 1) providing for a minimum withdrawal of old-age savings capital. After two years of insurance cover, a termination benefit can no longer be used for a financing home purchase or be otherwise pledged.

## **Art. 8 Old-age savings' capital and Retirement Credits**

### **8.1 Old-age savings' capital**

The collective foundation maintains an individual retirement account for each insured person. This account shows the acquired old-age savings' capital at any point in time.

The following will be credited to the individual retirement account:

- a) Joining contribution (transferred vested interest);
- b) Interest;
- c) Retirement credits;
- d) Buy-in amounts and other one-time deposits;
- e) Repayments of advance withdrawals in connection with the enablement of home ownership;
- f) Deposits as a result of divorce;

and/or subtracted:

- a) Advance withdrawals as part of the enablement of home ownership;
- b) Termination Benefit upon Divorce.

### **8.2 Interest Rate**

The interest rate determining the interest on old-age savings assets, per assets pool and adopted year group, are determined annually by the foundation board, taking into consideration the investment income generated and the degree of cover.

The foundation board fixes the rates of interest applicable for the current financial year, at the end of the financial year, as well as the interest rates for the intra-year departures in the following year.

The foundation board is guided by the technical interest rate of the foundation when determining the interest on old-age savings capital.

The old-age related amounts credited during the current financial year attract no interest. All other deposits and withdrawals attract interest from the value date.

### **8.3 Amount of Retirement Credits**

The annual retirement credits derive from the insured salary and the age of the insured person. The amount of the retirement credits is specified in the pension plan (Appendix 1).

## III. FINANCING

### Art. 9 Start and End of the Contribution Obligation

<sup>1</sup> The obligation to contribute begins with the admission of the employee to the pension scheme and the collective foundation.

<sup>2</sup> The contribution obligation ends whenever a contract of

- a) employment is terminated, subject to any voluntarily continued insurance cover under Art. 7, Para. 2 of these present pension plan rules.
- b) the minimum wage falls short;
- c) entitlement to retirement benefits arises; or
- d) upon the death of the insured person.

The end of the time period for obligatory contributions is precisely on the date, i.e. on the day of the occurrence.

<sup>3</sup> The insured person's contributions are deducted from the salary by the employer and transferred to the foundation as per the usual payment modalities, together with the employer's contributions.

<sup>4</sup> That part of the total contributions paid by insured self-employed persons is intended to be the employer's contribution apart from what is paid in by the self-employed person as contributions for his or her workforce members. 50% of the total contributions paid in by self-employed persons without a workforce is intended as the employer's contribution.

<sup>5</sup> In the event of an accident, illness, maternity or military service, the contributions continue to be levied, either by deducting them from further aligned wages or from wage replacement benefits. One continues to reserve the right to make stipulations on exemption from the obligation to pay contributions (Art. 19.4).

### Art. 10 Financing

The benefits provided by the foundation are financed by its assets and the earnings from them, as well as from the contributions paid by the insured persons and their employers. The contributions paid in by the insured persons and their employers comprise amounts credited for pension benefits and risk insurance contributions. Risk insurance contributions serve to finance the death risk, the disablement benefit and the administration expenditure, as well as contributions to the security fund and statutory cost-of-living adjustments to the invalid and survivors pensions.

### Art. 11 The Amount of Contributions

#### 11.1 The Assessment of Contributions

The contributions of the insured person and the employer are defined in the pension plan (Appendix 1).

## 11.2 Choices between various Pension Plans

<sup>1</sup> With effect from 1 January, insured persons can annually select voluntarily to adjust their pension plan insurance contracts to take account of higher or lower old-age capital savings contributions under the pension plan (Appendix 1) for the following financial year.

<sup>2</sup> Any required alterations to the old-age savings capital contributions should be reported by the employer to the foundation according to the pension plan (Appendix 1). In the case of any such report not being submitted in due time, the previous conditions will be observed without any retrospective plan change adjustment.

<sup>3</sup> One continues to reserve the right to use any divergent stipulations in the pension plan (Appendix 1).

## Art. 12 Entry contribution

### 12.1 Transfer of Vested Benefits, Due Date

<sup>1</sup> Vested benefits from former pension fund plans are to be transferred to the collective foundation as a buy-in contribution. The vested pension benefits transferred are credited to the insured person's individual retirement account, even when the vested benefit transferred exceeds the buy-in amount needed to qualify for the maximum old-age savings capital according to the pension plan rules.

<sup>2</sup> The entry contribution is due upon entry into the collective foundation.

<sup>3</sup> The insured person should give the collective foundation access to the statement of termination benefits from the previous pension relationship. The previous affiliation to a vested benefit bank and the form of pension protection should also be reported.

### 12.2 Voluntary Buy-in

<sup>1</sup> Insured persons can, at any time, pay the foundation voluntarily amounts for buying-in purposes up to the maximum regulatory benefits under the pension plan rules, provided that he or she has transferred all vested benefits to the foundation and is fully occupationally employed and able to work, on the date of buy-in.

<sup>2</sup> Voluntary buy-in amounts will be accounted for as follows:

- a) credited to the individual old-age pension account until the maximum possible old-age savings level is reached under the pension plan rules.

Any excess amount will, after due consultation with an insured person, be used:

- b) for buying into an early retirement benefit and/or voluntary OASI state bridging pension, provided that such is permitted by the pension plan (Appendix 1). Otherwise, any excess portion will be repaid to the insured person.

<sup>3</sup> The amounts of any voluntary buy-ins to the individual old-age savings capital must correspond, at most, to the difference between the maximum possible old-age savings capital (Appendix 1) and the current level of savings capital. The maximum of any buy-in amount made by the insured person is reduced by:

- a) any non-transferred vested benefit and/or by any vested benefit to be transferred (pursuant to Art. 60a, Para. 3 of the Swiss Federal Directive BVV2;

b) any excess assets under the Swiss Federal Statutory 'Third Pillar A Pension Scheme' (Art. 60a Para. 2 BVV2).

<sup>4</sup> If buy-ins have been undertaken, the resulting benefits may not be withdrawn in capital form from the collective foundation within the next three years.

<sup>5</sup> If advance withdrawals have been made to promote home ownership, voluntary buy-ins may only be made once the advance withdrawals have been repaid.

<sup>6</sup> Re-buy-ins in the event of divorce or the dissolution of a registered partnership under Art. 22d of the Swiss Federal 'FZG' Legislation, are excluded from the limitation.

<sup>7</sup> In the case of insured persons who have moved from abroad and have never belonged to a pension scheme in Switzerland, the annual buy-in amount may not exceed 20% of the insured salary in the first five years after joining a Swiss pension scheme. After five years have elapsed, buy-in amounts can be paid in analogously to the foregoing stipulations.

### **Art. 13** **Buying-in for Purposes of Early Retirement**

---

<sup>1</sup> Buying-in amounts to purchase a reduction in pension benefit following early retirement, as well as for financing an OASI state bridging pension, are possible provided that such is permitted under the pension plan (Appendix 1). Any buy-in to an early retirement pension benefit is only possible from the age of 25 or, at the earliest, from the date of anticipated commencement of the old-age savings capital process according to the pension plan (Appendix 1), provided that the insured person is entirely, currently and occupationally employed and able to work upon the date of buy-in.

<sup>2</sup> The following conditions should be met before buy-in deposits can be made into the purchasing account:

- a) the insured person has already contracted a buy-in, up to the maximum buy-in amount under Art. 12.2, and
- b) the insured person has fully repaid any advance withdrawals for financing home ownership. If repayment is no longer possible due to age, the advance withdrawal will be taken into account for the calculation of the maximum buy-in amount.

<sup>3</sup> The maximum permissible amount of a 'one-off' deposit is calculated from the difference between the maximum possible old-age savings capital and any already paid-in deposits attracting interest, for the purposes of financing an early retirement pension. The maximum possible contribution for purchasing the reduction of an old-age pension and for financing any OASI bridging pension, at the specified date for early retirement, is calculated according to the pension plan (Appendix 1).

<sup>4</sup> If an insured person dies before reaching the statutory retirement age according to the pension plan rules, the contributions are paid as an additional lump-sum death benefit to the beneficiaries according to Art. 20.6.

<sup>5</sup> If the insured person waives early retirement and this results in a higher benefit than is required for purchasing a reduction in the old-age pension and /or to finance an OASI state bridging pension at the date of actual retirement, then the benefit target under the pension-scheme rules for a retirement benefit may be exceeded,

but by only 5% at the most. The pension-scheme foundation will inform the insured person of the anticipated level of the excess savings capital, in so far as the insured person wishes to retire later than as pre-financed. In such a case, the employee contributions will be financed from the old-age savings capital in accordance with the pension plan rules, up to the age of retirement. Upon the date of retirement, any excess savings capital will be forfeited to the foundation.

<sup>6</sup> A possible withdrawal for financing home ownership should be taken into account.

<sup>7</sup> The amount of any maximum buy-in can be deposited as a 'one-off' deposit by the insured person, during any financial or calendar year, and then remains unchanged during this period of time.

#### **Art. 14 Bookkeeping and Accounts and Investment of the Assets**

<sup>1</sup> The financial year of the foundation is the calendar year. The bookkeeping and accounts are closed off for the financial year on 31 December every year.

<sup>2</sup> The final annual accounts and the annual report are to be prepared within six months, at the latest, from the end of the previous financial year.

<sup>3</sup> The assets of the foundation are to be managed in accordance with recognised principles, whereby the security of the financial investments and an appropriate yield are to be targeted, and the liquidity requirements of the foundation are to be addressed. The foundation board issues financial investment instructions in this regard.

#### **Art. 15 Financial Equilibrium**

##### **15.1 Assessment of an Occupational Pension-Scheme Expert**

<sup>1</sup> At least once every 3 years, a recognized expert on occupational pension schemes should be required to draw up an actuarial balance sheet which should be submitted to the supervisory authority. If there is a shortfall in coverage, the expert will prepare an actuarial report annually.

##### **15.2 Countermeasures in the Event of a Coverage Shortfall**

<sup>1</sup> Should an actuarial shortfall occur in a separate account (assets pool) or in any one pension plan, the foundation board will determine suitable countermeasures to rectify such a coverage shortfall, together with a recognised expert for occupational pension schemes, when the shortfall affects an individual pension plan within the foundation. Countermeasures are then to be coordinated together with the pension fund commission of the respective pension fund affected. The principles of proportionality and appropriateness should be observed. Reference is made here to Appendix 4 concerning principles and implementation.

<sup>2</sup> The foundation will inform the supervisory authority, the employer and also the beneficiaries about the shortfall and the determined countermeasures.



## Art. 16 Partial Liquidation

---

In the case of any partial liquidation of the foundation, the persons insured by the foundation are entitled to claim the statutory termination benefits and also an individual or collective claim to any residual funds of the foundation, provided they have contributed to creation of such free financial resources of the foundation. In the case of any underfunding according to Art. 44 of the Swiss Federal BVV2 legislation, any termination benefits according to the pension plan rules will be reduced, and the old-age savings capital will thereby be reduced, pursuant to Art. 15 of the Swiss Federal BVG legislation. The prerequisites and the proceedings for the accounting of a partial liquidation are regulated in Appendix 3.

# IV. PENSION BENEFITS

## Art. 17 Insured Benefits

---

### 17.1 Overview of Insured Benefits

<sup>1</sup> The collective foundation will provide the following benefits on retirement:

- Old-age pension;
- Old-age savings' capital;
- OASI bridging pension;
- Pensioner's child pension.

<sup>2</sup> In the event of incapacity to work or gainful employment before retirement, the collective foundation will provide the following benefits:

- Disablement pension;
- Child's disablement pension;
- Exemption from the contribution obligation.

<sup>3</sup> In the event of death, the following benefits can be claimed from the collective foundation:

- Spouse's benefit;
- Spouse's pension to divorced partners;
- Partner's Pension
- Orphans' pension;
- Death benefit.

<sup>4</sup> If an insured person leaves the benefits relationship, a termination benefit becomes due.

### 17.2 Guarantee of BVG Minimum Benefits

The foundation reserves the right to reduce the benefits listed under Art 17.1 in accordance with the stipulations of Art. 24. However, the minimum benefits under the Swiss Federal BVG Legislation are guaranteed in any event.

## Art. 18 Old-age Benefits

---

### 18.1 Regular Retirement

Regular retirement takes place on the first day of the month after the age specified in the Pension Plan (Appendix 1).

### 18.2 Early Retirement

<sup>1</sup> The insured person has the option of retiring early between the earliest date in the pension plan (Appendix 1) and the normal statutory retirement age.

<sup>2</sup> Should the pension relationship of an insured person be terminated at an age where early retirement under the pension rules is possible and should the statutory pensionable age not yet be reached at the point in time of the termination, an old-age benefit will only be granted when the insured person informs the foundation within 3 months after termination of his or her pension-scheme membership that he or she intends to claim an old-age benefit. Otherwise, a termination benefit will be granted.

### 18.3 Partial Retirement

From the date when partial retirement can be claimed according to the pension fund rules (Appendix 1), a partial retirement benefit can be granted. The following requirements should be met:

- a) The level of employment should be reduced significantly and permanently, by at least 20%;
- b) A maximum of three partial retirement steps are possible.
- c) Any reduction in the level of employment will mean a corresponding reduction in the insured salary;
- d) The retirement benefits should correspond with the reduction in the level of employment.

### 18.4 Continued Insurance Cover after Statutory Retirement Age

<sup>1</sup> If employment continues beyond the statutory retirement age, the insured person can require continuation of the pension insurance according to the pension plan (Appendix 1).

<sup>2</sup> The retirement benefit is due as soon as the continued insurance ends or the insured person reaches the maximum age limit for continued insurance according to the pension plan (Appendix 1).

<sup>3</sup> There is no longer any entitlement to disablement benefits (disablement pension, child's disablement pension, exemption from contributions). In the event of incapacity to work, the insurance ends and the planned retirement benefits are paid. In the event of death, the entitlement is based on the stipulations for survivors' benefits for pensioners.

<sup>4</sup> The withdrawal of old-age savings capital to finance home ownership is no longer possible.

<sup>5</sup> If the insured person has purchasing opportunities at the time of regular retirement age, voluntary buy-ins to improve benefits can also be made while the Pension Plan is in progress. Purchasing potential is reduced by the retirement credits, deposits and interest made during the insurance cover in progress.

## 18.5 Old-age Pension

<sup>1</sup> Entitlement to an old-age pension occurs on the first day of the month after:

- a) termination of the contract of employment as a result of retirement as an actively insured person, provided that the conditions of Art. 18, Para. 2 of the pension fund rules are met in cases of early retirement.
- b) expiry of a temporary disablement pension upon reaching the statutory retirement age according to the pension fund rules;
- c) termination of voluntarily continued insurance cover in accordance with Art. 7 of the pension fund rules following termination of a contract of employment, when early withdrawal from the pension scheme is possible according to its rules, on the date of the termination of employment, and the voluntarily continued insurance cover has run for more than two years;

any claim expires on the last day of the month of death.

<sup>2</sup> The amount of the retirement pension is calculated from the old-age savings capital available at the date of retirement and at the age-dependent conversion rate according to the pension fund plan (Appendix 2). Any divergent stipulations in the pension plan (Appendix 1) always take preference.

## 18.6 Increases in Anticipated Benefits

<sup>1</sup> Insured persons can, before drawing the first old-age pension, increase the anticipated married couple old-age pension according to the pension plan (Appendix 1).

<sup>2</sup> The old-age pension as well as the statutory minimum old-age pension (i.e. the old-age pension under the Swiss Federal BVG legislation) will then be truncated actuarially for life.

<sup>3</sup> Insured persons should inform the foundation in writing of their wish to have an anticipated married couple old-age pension increased, three months before the initial drawing of the old-age pension. The foundation is entitled to require a medical certificate before increasing the anticipated married couple old-age pension.

<sup>4</sup> This selection entitlement is not available for any increase in life partner old-age pensions.

## 18.7 Old-Age Savings' Capital

<sup>1</sup> The insured person can receive their retirement benefits in the form of a lump sum at the time of retirement. The maximum amount of the lump sum withdrawal is based on the pension plan (Appendix 1). This also applies to insured persons whose disability benefit is converted into an old-age pension upon reaching withdrawal age according to the pension rules. In such cases, the continued old-age savings capital according to the pension rules is determinative for any withdrawal of capital

<sup>2</sup> When a withdrawal of capital is required, all co-insured benefits will be truncated proportionately.

<sup>3</sup> An application for a withdrawal of capital is to be made on the application form provided by the foundation, whereby a time period of not more than six months should elapse between the date of signing of the application form and the date of the capital withdrawal claim.

<sup>4</sup> If an insured person is married or lives in a registered partnership, the written consent of the spouse or regis-

tered partner is required before any pay-out of the old-age savings capital in cash. The genuineness of signatures is to be evidenced by an identity card; but the foundation can also require that signatures are certified notarially or officially. Should the insured person not be able to obtain approval or if approval is rejected, then he/she can turn to the court.

<sup>5</sup> If the insured person is unmarried or does not live in a registered partnership, civil registry status confirmation should be submitted for any cash pay-out of the old-age savings' capital.

### **18.8 Financing the Voluntary OASI Bridging Pension**

<sup>1</sup> In the event of early retirement the insured person can apply for an OASI state bridging pension, provided that this possibility is foreseen in the pension plan (Appendix 1). Pension claims begin with the old-age pension and end upon the death of the insured person, but in any event upon reaching the statutory OASI state pensionable age. A voluntary OASI state bridging pension is also possible for insured persons who have selected a voluntary continued insurance contract according to Art. 7.

<sup>2</sup> The amount of the OASI state bridging pension can be selected by the insured person himself or herself, whereby it's amount may not exceed the maximum OASI state retirement pension. An OASI bridging pension will not be adjusted when the OASI old-age pension is increased.

<sup>3</sup> The old-age savings capital assets are reduced by the amount (of the cash value) necessary to finance the OASI state bridging pension and the old-age pension and the co-insured benefits are truncated for life as a result.

<sup>4</sup> The reduction will not apply when the OASI bridging pension is pre-financed by the insured person.

<sup>5</sup> Upon the death of an insured person, the amount of any not yet drawn OASI state old-age pension will be paid out on a 'one-off' basis to the survivors, according to Art. 20.6. Any divergent regulation in the pension plan (Appendix 1) will take precedence over this stipulation.

### **18.9 Pensioner's Child Pension**

<sup>1</sup> Recipients of an old-age pension are entitled to a child's pension for every child entitled to claim an orphan's pension in the event of the death of the pensioner.

<sup>2</sup> The amount of the pension is specified in the pension plan (Appendix 1).

<sup>3</sup> Entitlement of a pensioner to a child's pension expires when the pension eligibility of the child ceases or when the old-age pensioner dies.

## **Art. 19**

### **Disablement Benefits**

#### **19.1 Definition of Disablement and Assessment of Degree of Disablement**

<sup>1</sup> Disability in the sense of these rules exists when:

- a) the insured person suffers damage to his/her health as a result of illness or an accident which results in impairment of physical or mental strength; and

- b) the pursuit of gainful employment in the balanced labour market in question is likely to be made permanently or continuously impossible, in whole or in part, after reasonable treatment and integration measures;
- c) a subsequent loss of income is thereby experienced.

<sup>2</sup> A disabled person is entitled to disability benefits, when he or she:

- a) was insured with the foundation when the incapacity to work, whose cause led to the disability, commenced;
- b) is at least 40% disabled.

<sup>3</sup> An insured person is also entitled to disablement benefits, when he or she:

- a) were at least 20% but less than 40% unable to work as a result of a birth disorder when starting work, and insured to at least 40% when the incapacity for work caused by the disablement increased;
- b) became an invalid as a minor and were therefore at least 20% but less than 40% unable to work when they took up employment and were insured to at least 40% when the incapacity for work, the cause of which led to disablement, increased.

In both cases, entitlement to the BVG minimum benefits is limited.

<sup>4</sup> The degree of disability as well as the commencement and alteration of a claim is essentially determined by the degree statutorily determined by the Swiss Federal IV under consideration of the occupational activity insured by the foundation.

<sup>5</sup> The foundation generally recognizes the point in time of acquiring of the disability leading to an inability to work as well as the degree of disability in as far as the disability decision is obviously unsustainable or formally incorrect.

## 19.2 Disablement Pension

<sup>1</sup> Should the insured person be at least 70% unable to work before retirement, they are entitled to a full disablement pension.

<sup>2</sup> The amount of the annual full disablement pension is specified in the pension plan (Appendix 1). The cutback stipulations according to Article Art. 24 are thereby reserved.

<sup>3</sup> The partial pension entitlement is calculated as a percentage of the full disablement pension as follows:

- a) a three-quarter pension for a degree of disablement of at least 60%;
- b) half pension for a degree of disablement of at least 50%;
- c) quarter pension for a degree of disablement of at least 40%.

A degree of disablement of less than 40% does not entitle the insured person to a disablement pension.

<sup>4</sup> The beginning of the entitlement to a disablement pension is defined in the pension plan (Appendix 1). However, the disablement pension is deferred as long as the insured person receives full wages or as an alternative;

- a) Daily benefits from a daily sickness benefit insurance that draws on military or accident insurance, which amount to at least 80% of the lost wages;
- b) at least half of the daily allowance insurance was co-financed by the employer.

<sup>5</sup> The entitlement to the disablement pension expires:

- a) when the incapacity to work ceases; when the stipulations of Art. 26a of the BVG legislation remain reserved;
- b) upon the death of the insured person;
- c) when the insured person reaches the regular retirement age. In such cases, the disablement pension is replaced by an old-age pension according to Art. 18.5. This corresponds to at least a BVG disablement pension adjusted to the cost of living. When ascertaining the minimum degree of benefit, the old-age pension derived from continuing the regime of the Swiss Federal 'BVG' legislation is not determinative.

### 19.3 Child's Disablement Pension

<sup>1</sup> Disablement pension recipients are entitled to a child's disablement pension for every child who could claim an orphan's pension (Article 20.5) in the event of their death.

<sup>2</sup> The amount of the pension and other eligibility requirements are set out in the pension plan (Appendix 1).

<sup>3</sup> The entitlement to a child's disablement pension lapses if the child's entitlement to a pension ceases or the entitlement to the disablement pension expires. In the cases of foster children, a claim ends when the child returns to a parent or is maintained by a parent.

### 19.4 Exemption from the Contribution Obligation

<sup>1</sup> The obligation to pay contributions for employees and employers no longer applies after the waiting time period defined in the pension plan (Appendix 1) for the duration of a medically certified incapacity to work of at least 40% due to illness or accident. The extent of exemption from paying contributions depends on the date of inception of occupational incapability (Art. 19.1 Para. 1) and after a medically certified degree of incapacity for work has been established; pursuant to Art. 19.2, Paras. 2 and 3, on the basis of the insured salary or wage on the date of inception of incapacity for work.

<sup>2</sup> From the date of the inception of incapacity for work (Art. 19.1 Para. 1), the obligation to pay contributions for employees and employers lapses, pursuant to the degree of disability recognised by the foundation according to Article 19.2, Paras. 2 and 3.

<sup>3</sup> During the period of provisionally continued insurance cover according to Art. 26a of the Swiss Federal 'BVG' Legislation (governing occupational pension schemes), the right to exemption from contributions remains the same as before the cancellation or reduction of the disablement pension under the state DI Insurance.

<sup>4</sup> The entitlement to exemption from paying contributions according to Para. 2 ends upon the discontinuance of the invalidity.

<sup>5</sup> The stipulations of Article 24.3 apply analogously.

## Art. 20 Survivors' Benefits

### 20.1 Eligibility Conditions

The survivor is entitled to benefits, when the deceased:

- a) was insured at the time of death or at the start of the incapacity for work, the cause of which led to death; or

- b) was at least 20% but less than 40% unable to work as a result of a birth defect when starting work, and insured to at least 40%, and if the incapacity for work caused by the disablement then increased; or
- c) became an invalid as a minor and was therefore at least 20% but less than 40% unable to work when he or she took up employment, and was insured to at least 40% when the incapacity for work increased, and was the cause which led to death; or
- d) received an old-age- or disablement -pension from the collective foundation at the date of death.

In the cases mentioned under Parts b and c, entitlement to the 'BVG' Legislation minimum benefits is limited.

## 20.2 Spouse's Benefit

<sup>1</sup> The surviving spouse is entitled to a spouse's pension if he or she fulfils the conditions specified in the pension plan (Appendix 1) at the time of death. When the spouse does not meet any of these requirements, he or she is entitled to a one-off settlement amounting to three times the annual amount of the spouse's pension.

<sup>2</sup> The amount of the annual spouse's pension in the event of the death of an actively insured person or a person receiving a disablement pension, is set out in the pension plan (Appendix 1). The cutback stipulations according to Article Art. 24 are thereby reserved.

<sup>3</sup> The amount of the annual spouse's pension in the event of the death of an actively insured person, or a person receiving a disablement pension, is set out in the pension plan (Appendix 1). One reserves the right to make all increases in the reversionary benefits in accordance with Art. 18.6.

<sup>4</sup> When the spouse is more than 10 years younger than the insured person when the entitlement to a spouse's pension arises, the pension will be reduced by 1% of the full spouse's pension for each year in excess of 10 years.

<sup>5</sup> Should a marriage be contracted after the insured person has reached regular pensionable age and/or the age when the pension plan (Appendix 1) foresees any possible long- since possible continuation of the insurance, there is no entitlement to a spouse's pension.

<sup>6</sup> There is no reduction under Para. 5 when the conditions for entitlement to a life partner's pension were met before the marriage.

<sup>7</sup> Should a spouse's pension be partially truncated by Para. 4, a survivor's claim under the Swiss Federal BVG legislation at least continues to exist. Should the spouse not meet any of these requirements, he or she is entitled to a one-off payment to the amount of three times the minimum annual pension in accordance with the BVG Legislation.

<sup>8</sup> The spouse's pension is first paid in the month following the death of the insured person, but at the earliest after the end of payment of full wages or wage benefits.

<sup>9</sup> The spouse's pension expires on the death or remarriage of the spouse.

### 20.3 Eligibility of a Spouse in the Event of Divorce or of a Partner on Dissolution of a Registered Partnership

<sup>1</sup> A divorced spouse is entitled to a spouse's pension, provided that at the time of death:

- a) the marriage has lasted at least for ten years, and
- b) the divorced spouse, in a case of divorce, was awarded a pension under Art. 124e Para. 1, Art. 125 or Art. 126, Para. 1 of the Swiss Federal ZGB (Swiss Civil Code).

<sup>2</sup> If a registered partnership is legally dissolved, the former partner is treated as a divorced spouse, provided that at the time of the death:

- a) the registered partnership had lasted for at least ten years;
- b) the former partner was awarded a pension according to Art. 124e, Para. Abs. 1 ZGB or Art. 34 Abs. 2 and 3 PartG.

<sup>3</sup> The amount of the survivors' pension awarded to divorced spouses or former partners is limited to the minimum amount of the spouse's pension under the BVG Legislation. The benefit is reduced by the amount by which, together with the congruent benefits of other social insurance schemes (domestic and foreign), it exceeds the entitlement from the divorce court decision or court decision on the dissolution of a registered partnership.

<sup>4</sup> Entitlement to survivors' benefits exists provided the pension would have been awarded under the divorce convention. The spouse's pension also lapses when the divorced spouse dies or remarries or when a registered partnership is entered into.

### 20.4 Partner's Pension

<sup>1</sup> Should the insured person become deceased, the surviving partner is entitled to the same benefits as a surviving spouse (Article 20.2), provided that, at the time of death, he or she meets the following conditions:

- a) both life partners are not related to each other (Art. 95 of the ZGB and
- b) are neither married nor in a registered or other civil partnership at the time of death; and
- c) the surviving partner has reached the age of 45 and is evidenced as having lived for the last five years before the death uninterruptedly in the same household and has maintained a life partnership in an exclusively mutual relationship; or
- d) the surviving partner has, on the date of death, lived in the same household with the deceased, has maintained a life partnership in an exclusive mutual relationship and is required to pay maintenance for one or more joint children; and
- e) the partnership was notified to the foundation during the lifetime of the deceased and before any initial claim to a possible disablement and/or old-age pension; and;
- f) the life partner does not receive a spouse's, widow's, widower's or partner's pension from a previous marriage or civil partnership and has not received any lump-sum benefits instead of any such a pension.

<sup>2</sup> The criterion for a common household is also fulfilled when an intention exists to maintain a common household, but such was could not be initiated on objective grounds.

<sup>3</sup> The stipulations of the spouse's pension also apply mutatis mutandis to the life partner's pension with regard to the amount and reduction rules. The duration of a civil partnership is equated to the duration of a marriage. If the life partner does not meet the eligibility requirements for a life partner pension, he or she is not entitled to a one-off severance payment.



<sup>4</sup> A life partnership is to be notified in writing to the foundation on an official form provided by the foundation.

<sup>5</sup> The life partner's pension expires on the death of the surviving partner or if he or she marries or enters into a registered partnership or a new civil partnership. The collective foundation should be informed immediately of the dissolution of the civil partnership.

## 20.5 Orphans' Pension

<sup>1</sup> In the event of the death of an actively insured person or an old-age or disablement pension recipient, every child is entitled to an orphan's pension, provided that the child has not yet reached the age specified in the pension plan (Appendix 1).

<sup>2</sup> Foster children of the insured person or the recipient of the old-age or disablement pension are entitled to an orphan's pension if they are being cared for by the deceased free of charge for permanent care and education.

<sup>3</sup> Stepchildren for whom the insured person or pension recipient had to pay at least 50% of the maintenance are also entitled to an orphan's pension.

<sup>4</sup> The amount of the contributions is specified in the pension plan (Appendix 1).

<sup>5</sup> The spouse's pension is first paid in the month following the death of the insured person, but at the earliest after the end of payment of full wages or wage benefits.

<sup>6</sup> If the orphan's pension replaces a current pension, the entitlement to it arises on the first of the month following the date of death.

<sup>7</sup> Entitlement to an orphan's pension expires when the orphan dies, but at the latest when the child reaches the age specified in the pension plan (Appendix 1). Eligibility lasts, at most, until the age of 25 when:

- a) a child is still in education; or
- b) is at least 70% unable to work and does not receive a disablement pension from an occupational pension scheme, or claim accident- or military -insurance.

In the cases of foster children, entitlement ends when a parent returns or the foster child is maintained by a parent. If the child is permanently unable to work, the foundation board will decide about a lifelong payment of the pension.

## 20.6 Lump Sum Death Benefit

<sup>1</sup> If an insured person or a disability pension recipient dies before retirement, a lump-sum death benefit is payable if the existing old-age savings capital is not, or not entirely, required to finance a spouse's pension, a pension for a divorced spouse or a life partner pension as well as an orphan's pension. Any voluntarily buy-ins of the insured person including interest will, in any event, be paid out. The sum is reduced by any advance withdrawals made as part of the home ownership subsidy (Article 27.1) and/or by any withdrawal as a result of pension compensation in the event of divorce (Art. 22 ). Repayments of benefits in connection with the enablement of home ownership as well as re-buy-ins in the event of divorce are not considered to be voluntary buy-ins within the meaning of this stipulation. Any incidental and additional death benefit is defined in the pension plan (Appendix 1).

- <sup>2</sup> Heirs are entitled to a lump-sum death benefit, regardless of the right of inheritance, in the following ranking:
- a) the spouses and orphans who are entitled to benefits under these pension plan rules, and if these persons do not exist, then
  - b) natural persons who have received substantial support from the insured person, or the person who has been in a cohabitation relationship with the insured party uninterrupted for five years previous to death or who has to provide for the maintenance of one or more children, provided always that no survivors' pensions can be obtained from other pension schemes, and if these persons do not exist, then
  - c) the children of the deceased who do not meet the eligibility requirements of Article 20.5, and if these persons do not exist, then
  - d) the parents, and in their absence, then
  - e) the siblings of the deceased insured person.

Divorced spouses are not entitled to a lump sum death benefit. If there are no beneficiaries under this stipulation, the lump sum death benefit will revert to the foundation according to the respective assets pool.

One continues to reserve the right to use any divergent stipulations in the pension plan (Appendix 1).

<sup>3</sup> Persons under letter b) are only entitled to claim when they are registered with the foundation.

<sup>4</sup> The insured person or pensioner drawing disablement benefits can request changes in the prescribed beneficiary groups of Para. 2, at any time, by means of a written application to the foundation, to the following extent:

- any persons in existence under Para. 2, letter b), may amalgamate beneficiaries as per Para. 2 letters a) and b).
- When no persons exist under Para. 2, letter b), then the beneficiaries under Para. 2, letters a) and c) can be amalgamated.

<sup>5</sup> On the basis of a written notification to the foundation, the claims of beneficiaries within any one beneficiary group (Paras. 2 and 4) may be arbitrarily determined. Should no notification from insured persons or the recipients of disability pensions from the foundation, the death benefit capital entitlement will be distributed among all beneficiaries within any one beneficiary group.

<sup>6</sup> The notification under Paras. 3 and 4 should be submitted in writing during the insured person's lifetime, on the official form provided by the foundation.

<sup>7</sup> If a person supported to a significant extent by the insured person benefits, the type and scope of the support should be specified together with the application for benefit.

## **Art. 21 Vested Termination Benefit**

### **21.1 Eligibility Conditions**

The insured person is entitled to a termination departure benefit if the pension entitlement ends on one of the following grounds:

- a) A contract of employment is terminated before an insured event occurs; the right is reserved to contract voluntary continued insurance under Art. 7, Para. 2 of these present pension fund rules;

- b) self-employed activity is terminated before a pension claim is made, or self-employed persons terminate voluntary continued insurance under Art. 44 of the Swiss Federal BVG legislation;
- c) the end of provisionally continued insurance according to Art. 26a Paras. 1 and 2 of the Swiss Federal BVG legislation is reached;
- d) the statutory requirements for subordination to the Swiss Federal BVG Legislation (governing occupational pension schemes are unlikely to be permanently met;
- e) voluntary continued insurance under Art. 47a of the Swiss Federal BVG legislation is terminated and no claim exists for early retirement under the pension fund rules at the time of termination.

### 21.2 Amount of Termination or Departure Benefit

<sup>1</sup> The termination or departure benefit is calculated in accordance with the Vested Benefit Legislation (FZG). The termination benefit corresponds to the total old-age savings capital at the date of the termination. If the calculation of the termination benefit according to Art. 17 or 18 of the FZG Legislation is higher, this amount will be paid out.

<sup>2</sup> From the first day after the termination of the pension relationship, the termination benefit is subject to the minimum interest in accordance with the BVG Legislation.

### 21.3 Receipt of Pension Protection, Cash Payment

<sup>1</sup> The termination benefit will be transferred to the new collective foundation. If an insured person does not join a new pension scheme, he or she can receive pension protection in the form of a vested benefit policy, or in the form of a vested benefit account.

<sup>2</sup> Before leaving, the insured person should notify the collective foundation to which new pension scheme or to which vested benefit bank the termination benefit is to be transferred. If this notification is not received, the foundation will transfer the termination benefit with interest to the statutory governmental benefit institution, according to the BVG legislation, at the earliest after six months, but no later than two years.

<sup>3</sup> Insured persons can request the lump sum cash payment of the termination benefit, when:

- a) they finally leave Switzerland, or
- b) they take up self-employment as their main occupation and are no longer subject to compulsory occupational pension schemes; or give notice of termination as a self-employed person to their existing pension scheme to undertake another self-employed activity; or
- c) the termination benefit is less than their annual contribution to an old-age savings and risk insurance.

Those insured persons who reside outside of Switzerland and who seek to become self-employed are to be treated on the basis of letter a). Should, however, such persons seek to become self-employed in Switzerland, the same criteria apply as for persons resident in Switzerland (see also letter b), whereby the entire old-age savings capital can be paid out in a lump sum.

<sup>4</sup> Insured persons may not demand the cash pay-out of the termination benefit as per letter a) of the foregoing paragraph, up to the amount of the old-age capital savings under the Art. 15 of the Swiss Federal BVG legislation when:

- a) such persons continue to be obligatorily insured under the legislation of a member state of the EU or EFTA for the risks of old age, death, disability; or

- b) continue to be insured under Icelandic or Norwegian statutory requirements for the risks of old-age, death and disability; or
- c) reside in Liechtenstein.

<sup>5</sup> If the insured person is married or lives in a registered partnership, the written and officially certified consent of the spouse or registered partner is required for the cash payment of the termination benefit. The genuineness of signatures are to be evidenced through presentation of an identity card, and the foundation can require that signatures are certified notarially and officially.

<sup>6</sup> When the signatures of spouses or registered partners cannot be obtained or if these are not forthcoming, then an appeal can be made to the court.

<sup>7</sup> If the insured person is unmarried or does not live in a registered partnership, proof of marital status is required for the cash payment of the termination benefit.

<sup>8</sup> In addition, the foundation can make a cash pay-out dependent on certain documentation and their currentness. Evidence is to be provided by the applicant.

## **Art. 22 Pension compensation in the event of divorce or dissolution of a registered partnership**

### **22.1 General Information**

<sup>1</sup> Only legally binding decisions of the Swiss courts are binding on the collective foundation.

<sup>2</sup> The following stipulations apply mutatis mutandis even if a registered partnership is dissolved. In such cases, the pension compensation is based on a legally binding court dissolution decision.

### **22.2 Pension Compensation Before Retirement**

<sup>1</sup> If the marriage of an insured person ends in divorce, and the collective foundation has to transfer part of the termination departure benefit acquired during the marriage to the pension scheme of the divorced spouse, based on a final court divorce decision, all insured benefits are reduced proportionately in the obligatory and supra-obligatory portion, provided that they are defined in the pension plan (Appendix 1) dependent on the old-age savings' capital. The old-age savings' capital is also reduced proportionately in obligatory and supra-obligatory portions by the transferred termination vested benefit.

<sup>2</sup> If the marriage of a recipient of a disablement pension ends in divorce, and the collective foundation has to transfer part of the hypothetical termination vested benefit to the pension scheme of the divorced spouse based on a court divorce decision, the current disablement pension and all future benefits will be reduced proportionately in an obligatory and supra-obligatory portion, provided that they are defined in the pension plan (Appendix 1) independent on the old-age savings' capital. The continued retirement savings are also reduced proportionately in the obligatory and supra-obligatory part by the transferred termination vested benefit. If the collective foundation is paying child pensions when the divorce proceedings were initiated, the amount remains unchanged.

<sup>3</sup> If entitlement to an old-age pension arises during ongoing divorce proceedings, or if the disablement pension is replaced by an old-age pension for a person receiving a disablement pension, the old-age pension

transferred to the entitled spouse after the transfer of the termination vested benefit as a result of the reduction in the old-age savings' capital, then the benefit will be recalculated, either at the time of retirement, or at the time of the cancellation of the disablement pension. If this calculation results in a lower old-age pension than the pension paid from the start of the pension payments up to the legal effect of a court divorce decision, it is reduced equally between the two spouses by the sum of the overpaid pension benefits. The portion attributable to the entitled spouse is deducted from the termination vested benefit to be transferred. The portion of the pension recipient is actuarially converted into an old-age pension and the future pension benefit is reduced by this amount for life. Any further survivors' benefits are calculated on the basis of this reduced retirement pension. For the reduction, the statutory requirements of Art. 19g of the FZV Legislation, applies.

### **22.3 Pension Compensation After Retirement**

<sup>1</sup> If a recipient of an old-age pension is legally obliged to transfer part of his pension to the divorced spouse, the future old-age pension is reduced by this amount. The applicable survivors' benefits are calculated on the basis of this reduced retirement pension. When the divorce proceedings are initiated, child pensions that are already in progress will not be affected by the pension compensation.

<sup>2</sup> The pension awarded to the divorced spouse is individually converted into a lifelong pension in a divorce decision of the court, with the actuarial principles applicable, when the court divorce decision obtains legal effect (Art. 19h of the FZV Legislation (ordinance governing transfers of vested interest)).

<sup>3</sup> Entitlement to the pension from a pension compensation ends with the death of the entitled spouse.

<sup>4</sup> If a divorced spouse is a member of a pension scheme, the individually calculated pension is transferred to the pension scheme once a year, with interest at half the regulatory interest rate applicable that year as fixed under Swiss Federal BGV legislation. The transfer takes place proportionally in the obligatory and supra-obligatory part.

<sup>5</sup> Should a divorced spouse have reached the earliest possible retirement age under Art. 1, Para. 3 of the Swiss Federal BVG legislation and if the spouse is unable to introduce his or her claim into a pension scheme, the pension becomes payable pursuant to Art. 23.1 Para. 3 direct to a receipt postal address determined by the beneficiary.

<sup>6</sup> If the pension is transferred to a collective foundation as a vested benefit, the divorced spouse can request a lump sum payment instead of the lifelong pension. The amount of the lump-sum capital payment is calculated according to actuarial principles and according to the basic tenets of the pension fund of the obligated spouse. A written declaration should be made before the first pension payment.

### **22.4 Buying-in after a Pension Compensation Arrangement**

<sup>1</sup> An insured person can, pursuant to Art. 22.2 Paras.1 and 2 of the pension fund rules, at any time, reintroduce the amount payable to the entitled spouse into the pension fund, in whole or in part. This means that beneficiaries of disability benefits can request a repurchase buy-in of their disability portion, except in cases of lifetime awarded disability pensions.

<sup>2</sup> Rebuying-in purchases never lead to an increase in a previous disablement pension which was previously calculated as pension compensation, or a truncated disability pension.

<sup>3</sup> Deposits are credited equally, as also when debiting accounts after a divorce, proportionately between the obligatory and supra-obligatory old-age savings' capital.

### **22.5 Acceptance of a Pension Compensation**

<sup>1</sup> Should an insured person be awarded a termination benefit or a pension from a divorced spouse based upon a judicial divorce decision, the amount will be credited proportionately between the obligatory and the supra-obligatory old-age savings capital.

<sup>2</sup> If a beneficiary is awarded a disablement or old-age pension, a termination vested benefit or a pension awarded through a legally binding court divorce decision, the termination vested benefit or the periodic pension payment can only be brought into the collective foundation if the collective foundation maintains an old-age credit for part-time employment. The transfer takes place proportionally in the obligatory and supra-obligatory part.

## **Art. 23 Payment**

---

### **23.1 Due Maturity Date**

<sup>1</sup> The prerequisite for a pay-out is submission in good time to the foundation of the required and demanded certification of the benefit claim entitlement.

<sup>2</sup> Capital benefits become due 30 days after the foundation has received all the documentation required to substantiate the claim.

<sup>3</sup> Pension payments are, as a rule, paid monthly, at the beginning of the respective month. If the entitlement to a pension does not occur on the first day of the month, a partial pension is paid. The pension is paid until the end of the month in which the entitlement to benefits expires in accordance with these rules.

<sup>4</sup> The termination vested benefit is due upon leaving the collective foundation.

### **23.2 Default Interest on Arrears**

<sup>1</sup> In the case of pension or capital pay-outs, default interest on arrears should be paid from the date of debt enforcement proceedings or legal action are initiated. This corresponds to the Swiss Federal 'BVG' Legislation (governing occupational pension schemes) minimum interest rate.

<sup>2</sup> If the collective foundation does not transfer the due termination vested benefit within 30 days after it has received the information required for the transfer, default interest on the amount of the minimum interest plus 1 percent will be paid from the end of this time period.

### **23.3 De Minimis (Immaterialities)**

<sup>1</sup> When the old-age or disablement pension is less than 10%, the spouse's pension less than 6%, and the orphan's pension is less than 2% of the minimum old-age pension of the OASI state benefit, a lump-sum payment calculated according to actuarial principles will be made to the person entitled to claim instead of a pension. In the case of old-age pensions, as well as temporary disablement pensions on the basis of statutory BVG Legislation logic, the old-age savings capital according to the pension fund rules will be paid out instead of a pension or the projected old-age capital savings without interest. In all other cases, lump sum capital savings

pay-outs will be calculated according to actuarial principles, as well as in application of the current principles of the foundation current on the date of a claim.

<sup>2</sup> A lump sum payment presupposes the legal nullity of all other claims of entitled persons against the foundation.

#### **23.4 Ceding and Mortgaging**

<sup>1</sup> To the extent permitted by law, benefit claims from these rules are not subject to enforcement and may not be ceded or mortgaged before they mature and fall due. Mortgaging is reserved under the stipulations for the enablement of home ownership by means of occupational pension scheme grants.

<sup>2</sup> Claims for benefits that have already fallen due may only be offset against claims that the employer has assigned to the collective foundation, when these claims relate to contributions which have not been deducted from wages or salaries.

#### **23.5 Reimbursement Obligation**

<sup>1</sup> Benefits received illegitimately must be reimbursed. The recovery can be waived if the recipient of the benefit acted in good faith and the reimbursement would lead to extreme hardship.

<sup>2</sup> Should the foundation grant an advance benefit within the meaning of Art. 23.6 Para. 2 and if the definitive benefit liable insurer foresees a lower benefit, on the basis of its own applicable terms and conditions, then the difference will be reimbursed to the foundation.

<sup>3</sup> The statute of limitation time periods apply, pursuant to Art. 35a, Para. 2 of the Swiss Federal BVG legislation.

#### **23.6 Advance Benefit Liability**

<sup>1</sup> When an insured person is not a member of a pension scheme liable to grant benefits when the entitlement to benefits occurs, then the pension scheme, to which he or she last belonged is liable for advance benefits. The collective foundation will provide the advance payment within the framework of the statutory minimum benefits according to the Swiss Federal 'BVG' Legislation (governing occupational pensions schemes). When the pension scheme liable for obligatory benefits has been definitely ascertained, then the pension scheme liable for the advance benefit, can claim compensation for the advance benefit from the former.

<sup>2</sup> If the assumption of the pension payment by the compulsory accident- or military -insurance or a provider of occupational old-age, survivors' and disablement benefits according to the BVG Legislation, is controversial, advance payment from the collective foundation may be required. The collective foundation will provide the advance payment within the framework of the statutory minimum benefits according to the BVG Legislation. If the case is adopted by another insurance provider, the latter should reimburse the advance payments as part of its obligation to pay benefits.

#### **23.7 Reimbursement of a Vested Benefit, Offset Settlement**

If the collective foundation has to provide heirs' or disablement benefits after transferring the termination vested benefit, the termination benefits should be reimbursed to the extent necessary to finance the survivors' or disablement benefits. Survivors' and disablement benefits will be reduced if the reimbursement is not made.

### **Art. 24 Crediting of Third-Party Benefits, Benefit Truncations**

## 24.1 Overcompensation

<sup>1</sup> Survivors' and disablement benefits are truncated insofar as these, together with other offset incomes, pursuant to Art. 24.2, exceed 90% of the presumed lost earnings, or the presumed annual income, of a self-employed person.

<sup>2</sup> Retirement benefits are truncated in the same manner as long as benefits from military or accident insurance or comparable foreign benefits are provided by foreign institutions. The foundation is not obliged to equalise benefit truncations under Art. 20, Para. 2b and 2c of the Swiss Federal UVG Accident Insurance Legislation and Art. 47, Para. 1 of the Swiss Federal MVG Military Insurance Legislation.

<sup>3</sup> During the provisionally continued insurance and maintenance of the entitlement to benefits under Art. 26a of the BVG Legislation, the disablement pension is reduced, according to the reduced degree of disablement of the insured person, but only to the extent that the reduction is compensated for by an additional income of the insured person.

<sup>4</sup> If, in the event of a divorce, an old-age or disablement pension is divided according to the statutory retirement age, the portion of the pension awarded to the entitled spouse will continue to be taken into account when calculating any reduction in the pension of the obligated spouse.

<sup>5</sup> In any case, at least those services will be provided, which are to be provided in accordance with the BVG Legislation and its crediting rules..

<sup>6</sup> Within the scope of an overcompensation truncation, child disablement pensions are truncated proportionally to disablement pensions.

## 24.2 Eligible Income, Exceptions

<sup>1</sup> Only benefits of the same type and intent, which are, as a result granted to the beneficiary in case of need, count as eligible earnings.

<sup>2</sup> The income to be credited of the surviving spouse and/or registered partner and any orphans, are added together.

<sup>3</sup> Eligible income is considered to be:

- a) OASI/DI benefits with the exception of helplessness allowance;
- b) benefits from foreign social security institutions;
- c) compulsory accident insurance or military insurance benefits;
- d) benefits from other domestic and foreign pension schemes and vested benefit banks;
- e) daily allowances from compulsory insurance;
- f) daily benefits from private insurances to which the employer has contributed at least half of the premiums;
- g) the earned or replacement income of a disabled insured person, which is or can still be reasonably achieved.

In this regard, and as a rule, the presumed possible earning capability as well as the actual physical disablement earnings, together with the residual earning capability of the insured person based upon the degree of disability as determined by Disablement Insurance Authority are assigned.

One-off lump-sum payments are counted against their pension conversion value.



<sup>4</sup> The following benefits are not taken into account:

- a) private insurance benefits;
- b) helplessness allowances, compensation, severance payments and similar benefits;
- c) the additional income that is achieved while participating in measures for reintegration according to Art. 8a of the DI Legislation.

<sup>5</sup> The beneficiaries should provide the collective foundation with information about all eligible income and report any changes immediately.

### **24.3 Benefit Cuts and/or Truncations**

<sup>1</sup> The collective foundation can reduce, suspend or refuse survivors' or disablement pensions to the appropriate extent if the OASI or DI state schemes introduce reductions, withdraw or refuse their benefits, if the beneficiary caused the death or disablement through their own grievous culpability, or rejects a reasonable integration measure of the DI Institution.

<sup>2</sup> The foundation is not obliged to compensate for benefit rejections or cutbacks/ truncations which restrict, suspend, cancel or refuse Compulsory Accident Insurance or Swiss Federal Military Insurance, on the basis of the Legislation under Arts. 21 ATSG, 37 and 39 UVG or Arts. 65 and 66 MVG (Social Security, Accident Insurance and Military Insurance). Within such a meaning, the pension scheme can offset the benefits of such insurers within its overcompensation calculations, to an un-truncated extent, against the presumed possible earning capability.

## **Art. 25 Claims against Liable Third Parties**

The foundation can require the applicant for survivors' or disablement benefits to cede the claims to which he or she is entitled in the event of a claim against liable third parties by him or her, up to the amount of its obligation to provide benefits, insofar as the foundation does not exercise the claims of the insured person, his or her heirs and the other beneficiaries in application of the Swiss Federal BVG legislation. The collective foundation is entitled to postpone benefits until such claims are assigned to it.

## **Art. 26 Adjustment of Benefits to Developments in the Consumer Price Index**

Pension benefits will be adjusted to developments in the Consumer Price Index within the financial capability of the collective foundation. The foundation board will decide annually whether and to what extent pensions are adjusted. It will explain its decisions in its Annual Report. The minimum benefits under the Swiss Federal BVG legislation, including BVG legislation cost-of-living adjustments are in any event guaranteed.

## V. HOME OWNERSHIP

### Art. 27 Home Ownership

---

#### 27.1 Advance Withdrawals and Mortgaging

<sup>1</sup> The insured person can claim an amount for home ownership for own use before granting of a pension benefit according to the pension plan (Appendix 1), but no earlier than 1 year before retirement. The insured person can mortgage this amount or his right to pension benefits for the same purpose. The foregoing is, however, subject to restrictions following voluntary continued insurance cover, according to Art. 7, Para. 9 of these pension fund rules.

<sup>2</sup> If an insured person is partially disabled within the meaning of the state DI Legislation, or is provisionally insured according to Art. 26a of the Swiss Federal BVG legislation, this right only applies to the part of the pension claim which does not correspond to the partial pension entitlement or the provisionally voluntary continued insurance cover.

<sup>3</sup> The advance withdrawal is deducted proportionally from the obligatory and supra-obligatory old-age savings' capital. In a case of repayment the advance withdrawal is based on the statutory requirements on the enablement of home ownership and the credit to the retirement account is made in the same ratio in favour of the obligatory and supra-obligatory old-age savings capital, as for any advance withdrawal.

<sup>4</sup> If the insured person is married or lives in a registered partnership, the written and officially certified consent of the spouse or registered partner is required for advance withdrawal and mortgaging. The genuineness of signatures is to be evidenced by an identity card; but the foundation can also require that signatures are certified notarially or officially. Should the insured person not be able to obtain approval or if approval is rejected, then he/she can turn to the court.

<sup>5</sup> If the insured person is unmarried or does not live in a registered partnership, proof of marital status is required for early withdrawal and mortgaging.

<sup>6</sup> The provisions of the Ordinance on the Enablement of Home Ownership by Means of Occupational Pension Plans (WEFV) apply for all other matters.

<sup>7</sup> Further information can be obtained from the bulletin issued by the foundation board.

#### 27.2 Benefit Cuts-/ Truncations

By written application, the insured person can request information in writing about the amount available for home ownership and the benefit reduction-/ truncation associated with such a withdrawal. Upon special request, the foundation will mediate additional insurance to cover the insurance gaps that arise.

#### 27.3 Due Maturity Date

<sup>1</sup> The collective foundation will pay out benefits no later than 6 months after the insured person has submitted a claim. In the event of a shortfall, the collective foundation can extend this period to 12 months. If there is a significant shortfall, the collective foundation can refuse to pay the advance withdrawal, which is to be used to repay mortgage loans.

<sup>2</sup> If the liquidity of the collective foundation is jeopardized by early withdrawals, the Collective Trust can postpone the completion of the applications. The foundation board will establish a priority order for the processing of such applications.

#### **27.4 Charges and Expenditure**

The foundation will invoice the insured person for internal and external expenditure and charges.

## VI. PARTICULAR STIPULATIONS

### Art. 28 **Obligation to Inform and Notify**

<sup>1</sup> The insured persons and the pension benefit recipients should provide the collective foundation with truthful information about all conditions relevant to their pension benefit, in particular about changes in civil status and family relationships, without being specially required so to do.

<sup>2</sup> At the request of the collective foundation, persons entitled to a pension should provide proof of life. Disabled persons should report their other pension and earned income as well as changes in the degree of disablement.

<sup>3</sup> The collective foundation is authorized at any time to obtain a medical certificate on the health status of a disabled insured person at his or her own expense. If the insured person opposes a medical examination or refuses to accept a job, which is available, and which is reasonable with regard to their knowledge and skills as well as their state of health, the collective foundation can reduce, refuse or withdraw the disablement benefits.

<sup>4</sup> The insured person and the beneficiaries are obliged to provide the foundation with the required and requested information and documentation and to submit documentation relating to any benefits, reductions or refusals of any other insurance institutions or third parties stipulated in Art. Art. 24. In the event of refusal, the collective foundation can reduce the benefits at its discretion.

<sup>5</sup> Insured persons who have several pension relationships and whose total wages and income subject to the OASI Legislation, exceed the upper demarcation set out in Art. 79c of the BVG Legislation, should inform the collective foundation about the entirety of their pension relationships and the wages and income insured therein.

<sup>6</sup> The collective foundation declines all liability for any adverse consequences that may result from a violation of the aforementioned obligations for insured persons and pension recipients or their heirs. If the collective foundation suffers damage from such a breach of duty, the foundation board can hold the person at fault liable.

<sup>7</sup> The entitlement to pension benefits lapses if the insured person or other persons, who claim or receive benefits culpably, or fail to meet the obligation to provide information and notification, with the result, that the claim or its scope cannot be therefore determined. In addition, the request for benefits will not be accepted or the alignment of already guaranteed benefits will be suspended, when:

- a) despite written request with reference to the legal consequences, the information, documents and medical certificates requested by the collective foundation are not obtained; or
- b) if the insured person fails to undergo a medical examination; or
- c) if a medical practitioner, whom the collective foundation wishes to consult, is not released from medical confidentiality.

<sup>8</sup> The foundation can require the insured person to submit details of his or her income as determined by the OASI state pension agency (per individual account statement).

## **Art. 29 Information for Insured Parties and Pension Recipients**

<sup>1</sup> The foundation will inform its insured persons, pursuant to Art. 86b. Para. 1 of the Swiss Federal BVG legislation, annually in an appropriate form:

- a) concerning their entitlement to benefits, the insured salary, the contribution rate and their old-age savings' capital;
- b) Concerning the organization of the collective foundation, its financing, as well as concerning the members of the foundation board.

<sup>2</sup> Upon request, the collective foundation will provide information about the investment income, the underwriting risk history, the administrative costs, the calculation of the actuarial capital, the formation of the reserves and the development of the coverage ratio.

<sup>3</sup> In the event of a vested benefit event, the collective foundation will draw up a termination statement and give statutory and regulatory options for maintaining pension protection.

<sup>4</sup> Upon request, the insured persons and pension recipients will be given all further necessary information.

## **Art. 30 Taxation Consequences**

The insured person is recommended to clarify their tax liability with his or her competent tax authority. This concerns in particular, buy-in purchases, repayment of advances for home ownership, cash withdrawals or savings capital withdrawals. The foundation cannot assume any responsibility in this regard.

## **Art. 31 Data Protection and Confidentiality-/ Secrecy**

<sup>1</sup> By registering for insurance, the persons to be insured agree that the data resulting from this registration and from the implementation of the occupational Pension Fund Plan will be transmitted to other insurance institutions, namely the reinsurer of the collective foundation. As necessary, the insured person will provide their written consent.

<sup>2</sup> The foundation and the participating insurance institutions have to take all necessary measures for strictly confidential treatment of data within the framework of the legal data protection provisions.

<sup>3</sup> All staff members of the foundation responsible for the running, management and controlling or supervision of the business of the foundation are subject to the legal obligations of confidentiality and secrecy, concerning all knowledge of personal details of beneficiaries and pensioners of the foundation and the employers. These legal obligations also extend beyond termination of their activities for and on behalf of the foundation.

<sup>4</sup> Otherwise, the statutory requirements apply (Art. 85a et seq. of the BVG Legislation).

## VII. THE ORGANISATION OF THE FOUNDATION

### Art. 32 The Organs, Corporate Delegates and Authorised Signatories

<sup>1</sup> The supreme organ of the foundation is the foundation board. The foundation board manages the foundation in accordance with legislation, the articles of association, rules and regulations and legal supervisory instructions

<sup>2</sup> The corporate organs of the foundation are:

- The Foundation Board
- The pension fund commissions
- General meeting of the delegates
- The auditors and
- experts on occupational pension funds.

<sup>3</sup> The foundation board comprises 10 members. The members of the foundation board are elected to office by the various pension fund commissions. 5 members are elected from among representatives of the employers and 5 members are elected from among representatives of the employees. The foundation board is self-constituting and elects a Chairperson and a Vice-chairperson from its members. The foundation board issues organisational and administrative rules and regulations by which the organisation and the assignments of the corporate organs are regulated.

<sup>4</sup> When a representative of an employer or a representative of the employees leaves office, as a result of the termination of the association agreement of the employer, or the termination of a contract of employment, or deselection from a pension fund commission, membership on the foundation board is also terminated.

<sup>5</sup> The period of office of a member of the foundation board is four years. Members of the foundation board can be re-elected upon expiry of their period of office.

<sup>6</sup> Meetings of the foundation board are called by the Chairperson, or in case of his or her inconvenience, by the Vice-chairperson, as often as business requires, but at least once in Spring and once in Autumn, every year. All members of the foundation board are entitled to requisition the Chairperson to call an immediate meeting, upon stating the purpose and reasons therefore.

<sup>7</sup> The foundation board forms a quorum when an absolute majority of the members attends a meeting. Should any member of the foundation board be hindered from attending a meeting, that member can have him or herself represented at the meeting by another member acting as a proxy. The foundation board passes its resolutions and conducts its elections based upon a simple majority of the votes cast. In case of an equality of votes without any agreement being possible within the foundation board, the business is adjourned. Should no agreement during a second meeting on the business be possible, a neutral arbitrator is appointed on a mutual basis to decide upon the matter. When no agreement is reached via an arbitrator, the matter is referred to the supervisory authority. Voting on resolutions by circular is permitted. The passing of resolutions on certain items of business requires a qualified majority of 2/3rds of the members of the foundation board (Art. 4, Para. 4 of the Organisational and Administrative Rules and Regulations).

<sup>8</sup> Minutes are kept of meetings which are signed by the Chairperson and the person keeping the minutes (the Secretary).

<sup>9</sup> The foundation board manages the business of the foundation in accordance with statutory requirements, the Articles of Association of the foundation, the rules and regulations of the foundation, as well as by following the instructions of the supervisory authority. The foundation board takes all decisions necessary for achieving the corporate purposes and issues the requisite execution stipulations.

<sup>10</sup> The foundation board appoints an independent fiduciary company to act as the auditor as well as a recognised expert for occupational pension schemes to audit the financial balance (pursuant to Art. 53 of the Swiss Federal BVG legislation).

<sup>11</sup> The foundation board delegates the operative business management - within the scope of a separate administrative agreement - to a business office, provided this is permitted under the statute law, the foundation statute, the organisational and administrative rules and regulations, and statutory supervisory stipulations. The business office implements the resolutions of the foundation board and executes the current business of the foundation; the business office is under obligation to the Board to carry out its instructions.

<sup>12</sup> The foundation board appoints the authorised signatories and determines the form of their signatories.

<sup>13</sup> Each of the pension schemes associated with the foundation forms a pension fund commission as its regulatory body. The associated pension fund commissions are elected on a parity basis, and each comprises an equal number of representatives of the employer and the employees. The organisation and the assignments of each of the pension fund commissions are regulated in business rules and regulations for each pension fund commission.

<sup>14</sup> The details of the organisation of the foundation are regulated in the organisational rules and regulations of the foundation.

### **Art. 33 Additional Rules and Regulations**

---

<sup>1</sup> In addition to the organisational rules and regulations, there also exist election rules, partial liquidation rules (Appendix 3) as well as the rules and regulations for appropriations and foreign currency fluctuation reserves.

<sup>2</sup> All rules and regulations are determined by the foundation board and updated as required. These are also submitted to the supervisory authority for approval. The supervisory authority has to issue an approval order for all partial liquidation rules and regulations.

## VIII. FINAL PROVISIONS

### **Art. 34 Administration of Justice**

<sup>1</sup> The competent regular court of law is to decide in the event of a dispute. The place of jurisdiction is the court of law competent for the Swiss postal address of any defendant or the corporate domicile of the employer with which the insured person was employed.

<sup>2</sup> Otherwise, the stipulations of Articles 73 and 74 of the Swiss Federal BVG Legislation apply.

<sup>3</sup> Only the German language version of the pension fund rules is legally binding.

### **Art. 35 Application of the Rules and Regulations and the Filling of Loopholes**

<sup>1</sup> Any necessary implementation stipulations in the pension fund rules are issued by the foundation board.

<sup>2</sup> The foundation board or a pension fund commission can deviate from the stipulations of these pension fund rules in special cases, under due consideration of the legal equality of the prohibition of arbitrary action, when their application would mean particular hardship for affected persons, and that any deviation conforms with the purpose and the corporate purposes of the foundation. Cases of hardship can only be financed out of the free funds of the relative pension scheme.

<sup>3</sup> In cases where these rules or the underlying statute law do not contain any obligatory ruling, the foundation board will formulate a ruling, which corresponds with the corporate purposes of the 'foundation' trust deed.

### **Art. 36 Updating the Rules and Regulations; Coming into Effect**

<sup>1</sup> These rules can be changed at any time based upon a resolution of the foundation board whilst respecting all acquired rights and observing statutory requirements. The responsible supervisory authority should be informed of any changes to the rules and regulations.

<sup>2</sup> Benefits which provide for or result in additional services being granted by the employer cannot be introduced without the employer's approval.

<sup>3</sup> These rules and regulations were adopted in parity on 27 November 2020 by an equally represented foundation board and come into legal and statutory force on 1 January 2021. They replace the previous rules and regulations dated 1 January 2020.

<sup>4</sup> Current pensions and benefits are not currently subject to alterations. Notice will be given of all relevant changes.

The Foundation Board



# ANNEX 1: INDIVIDUAL PENSION PLANS WITHIN THE SINGLE PENSION FUND

# ANNEX 2 TO THE PENSION FUND REGULATIONS

Conversion rates for calculation of the Old-Age and Disablement Pension, as a percentage of the old-age savings capital as well as any truncation arising, as a result of drawing of a Swiss AHV State Bridging Pension (under the 'OASI' Old-Age and Survivors Insurance Legislation). The minimum benefit under the Swiss Federal BVG legislation will be granted. Separate accounts can use divergent conversion rates. The relative divergences are fixed by the Pension Fund Rules Regulations (Annex 1).

### Applies from 01.01.2020

Conversion Rate Old-Age Pension Benefit / Bridging			Conversion Rate Old-Age Pension Benefit / Bridging		
Age	Men	Women	Age	Men	Women
58	4.75%	4.90%	65	<b>5.80%</b>	5.95%
59	4.90%	5.05%	66	5.95%	6.10%
60	5.05%	5.20%	67	6.10%	6.25%
61	5.20%	5.35%	68	6.25%	6.40%
62	5.35%	5.50%	69	6.40%	6.55%
63	5.50%	5.65%	70	6.55%	6.70%
64	5.65%	<b>5.80%</b>	-	-	-

### Applies from 01.01.2021

Conversion Rate Old-Age Pension Benefit / Bridging			Conversion Rate Old-Age Pension Benefit / Bridging		
Age	Men	Women	Age	Men	Women
58	4.60%	4.75%	65	<b>5.65%</b>	5.80%
59	4.75%	4.90%	66	5.80%	5.95%
60	4.90%	5.05%	67	5.95%	6.10%
61	5.05%	5.20%	68	6.10%	6.25%
62	5.20%	5.35%	69	6.25%	6.40%
63	5.35%	5.50%	70	6.40%	6.55%
64	5.50%	<b>5.65%</b>	-	-	-

**Applies from 01.01.2022**

Conversion Rate Old-Age Pension Benefit / Bridging			Conversion Rate Old-Age Pension Benefit / Bridging		
Age	Men	Women	Age	Men	Women
58	4.45%	4.60%	65	<b>5.50%</b>	5.65%
59	4.60%	4.75%	66	5.65%	5.80%
60	4.75%	4.90%	67	5.80%	5.95%
61	4.90%	5.05%	68	5.95%	6.10%
62	5.05%	5.20%	69	6.10%	6.25%
63	5.20%	5.35%	70	6.25%	6.40%
64	5.35%	<b>5.50%</b>	-	-	-

**Applies from 01.01.2023**

Conversion Rate Old-Age Pension Benefit / Bridging			Conversion Rate Old-Age Pension Benefit / Bridging		
Age	Men	Women	Age	Men	Women
58	4.30%	4.45%	65	<b>5.35%</b>	5.50%
59	4.45%	4.60%	66	5.50%	5.65%
60	4.60%	4.75%	67	5.65%	5.80%
61	4.75%	4.90%	68	5.80%	5.95%
62	4.90%	5.05%	69	5.95%	6.10%
63	5.05%	5.20%	70	6.10%	6.25%
64	5.20%	<b>5.35%</b>	-	-	-

**Applies from 01.01.2024**

Conversion Rate Old-Age Pension Benefit / Bridging			Conversion Rate Old-Age Pension Benefit / Bridging		
Age	Men	Women	Age	Men	Women
58	4.15%	4.30%	65	<b>5.20%</b>	5.35%
59	4.30%	4.45%	66	5.35%	5.50%
60	4.45%	4.60%	67	5.50%	5.65%
61	4.60%	4.75%	68	5.65%	5.80%
62	4.75%	4.90%	69	5.80%	5.95%
63	4.90%	5.05%	70	5.95%	6.10%
64	5.05%	<b>5.20%</b>	-	-	-

**Example of the calculation of an annual old-age pension for early retirement as of 31.07.2024**

Ms. Anna Meier (fictional) wishes to take early retirement as of 31.07.2024. She will be 63½ year of age on 31.07.2024. Her anticipated old-age savings capital will be CHF 500 000.00 at the pensionable age. In this case, the conversion rate for her at 63 ½ will have to be newly calculated to the exact month. The difference between the conversion rate at 63 (5.05%) years of age and 64 (5.20%), is 0.15%. This means, that the conversion rate increases by 0.0125% for each month after the age of 63. At the age of 63½, this reaches 5.125%. Therefore, the annual anticipated old- age pension is calculated as follows:

**Early Retirement Annual Old-Age Pension aged 63½**

Anticipated old-age capital savings on 31 July 2024	CHF 500 000
Conversion rate at the age of 63½	5.125%
Anticipated annual old-age pension at 63½ years of age (CHF 500 000 x 5.125%)	CHF 25 625

**Example of the calculation of an annual old-age pension upon early retirement on 30.06.2023, in conjunction with a Swiss Federal AHV State Bridging Pension (under the OASI)**

Mr. Pierre Muller (fictional) is considering taking early retirement on 30.06.2023 at the age of 62. The Pension Fund Regulations state that the amount of the Swiss Federal AHV bridging pension (at the statutory pensionable age of 65) can be determined by the insured person up to the amount of a maximum AHV old-age pension. The financing is effected either by a truncation of the old-age benefit (lifelong) or by making additional contributions. For the period between early retirement and the date of taking the statutory old-age pension at 65, Mr. Muller wishes to take an annual AHV bridging pension of CHF 20 000 at the expense of his old-age pension. Mr. Muller therefore requests the UWP collective foundation to calculate the anticipated results.

**(Early Retirement) Annual Old-Age Pension at 62 years of age**

Anticipated old-age savings capital on 30. June 2023	CHF 400 000
Conversion rate at the age of 62	4.9%
Anticipated annual old-age pension at 62 years of age	CHF 19 600

**(Early Retirement) Annual Old-Age Pension at 62 years of age, in conjunction with an AHV**

Total AHV ('OASI') bridging pension (3 x CHF 20 000)	CHF 60 000
Truncation (4.90% x CHF 60 000)	2940
Anticipated annual old-age pension from age 62 (CHF 19 600 – 2940)	CHF 16 660

**Anticipated annual old-age pension benefit from 62 to 65 years of age**

Annual old-age pension benefit	CHF 16 660
Annual AHV ('OASI') bridging pension benefit	20 000
Total annual pension benefit	CHF 36 660

The death benefit for the spouse (wife or husband) in such a case would be insured as follows:  
 $(60\% \times \text{CHF } 16\,660 + \text{CHF } 20\,000 = \text{CHF } 29\,996)$ .  
 von CHF 29 996 versichert.

**Anticipated annual old-age pension benefit from the age of 65**

Annual old-age pension	CHF 16 660
------------------------	------------

The death benefit for the spouse (wife or husband) in such a case would be insured as follows:  
 $(60\% \times \text{CHF } 16\,660 = \text{CHF } 9996) = \text{CHF } 9996$ .

# ANNEX 3: PARTIAL LIQUIDATION

The present partial liquidation regulations are based on Art. 53b and 53d OPA, Art. 27g and 27h OPO2, Art. 29 and the terminology of the Pension Fund Regulations of 19 November 2010.

## Art. 1 Prerequisites for a partial liquidation

- <sup>1</sup> The prerequisites for a partial liquidation have been fulfilled,
- a) if there is a significant reduction in the workforce of an affiliated employer,
  - b) an affiliated employer reduces its workforce due to restructuring; or
  - c) an affiliation agreement is dissolved and the pension fund continues to operate.

<sup>2</sup> A workforce reduction is significant if it comprises at least the following reductions in the workforce and the committed assets:

Size of the workforce	Reduction in the workforce and the committed assets by
> 100 persons	10%
50 to 99 persons	20%
10 to 49 persons	30%
1 to 9 persons	50%.

Here, the reduction in each „Size of the workforce and the committed assets“ tier corresponds in nominal terms to the reduction in the preceding category.

<sup>3</sup> A restructuring is said to occur if previous areas of activity in a company are amalgamated, shut down, sold, outsourced or otherwise modified, bringing about a reduction in the workforce and the individually committed assets on the following scale:

Size of the workforce	Reduction in the workforce and the committed assets by
> 100 persons	5%
50 to 99 persons	10%
10 to 49 persons	15%
1 to 9 persons	25%.

Here, the reduction in each „Size of the workforce and the committed assets“ tier corresponds in nominal terms to the reduction in the preceding category.

<sup>4</sup> The decisive factor is the reduction in the workforce or a restructuring / reduction of the committed assets taking place within 12 months of a commensurate resolution being passed by the employer’s competent executive bodies. If the rationalization plan itself is scheduled to apply over a longer or shorter period of time, this time limit shall apply.

## Art. 2 Share of the pension surplus or deficit

---

<sup>1</sup> If the conditions for a partial liquidation are met, entitlement to a share of the non-committed funds exists. An actuarial deficit is proportionately deducted, provided the retirement savings capital according to the OPA is not thereby reduced.

<sup>2</sup> Surplus funds (or an actuarial deficit) at the level of the pension fund are in any case proportionately transferred to the departing portfolio.

Surplus funds at the Foundation level are proportionately transferred at most to the extent that the Foundation's cover level pursuant to Art. 44 OPO2 has increased since the affiliation of the Pension Fund. This regulation applies analogously in the case of an actuarial deficit and the deterioration of the Foundation's cover level pursuant to Art. 44 OPO2 since the affiliation of the Pension Fund.

<sup>3</sup> In the case of individual departures, there is individual entitlement to surplus funds. In the case of a collective departure, the surplus funds are collectively transferred if the target fluctuation reserves of the receiving foundation are increased by at least half; otherwise they are individually transferred. There is no entitlement to an individual transfer of the share in the surplus funds.

<sup>4</sup> A collective departure occurs where half of the departing beneficiaries or at least ten beneficiaries transfer together to another pension plan.

## Art. 3 Size of the surplus assets and of the deficit

---

<sup>1</sup> The surplus assets (or deficit) comprise the positive (or negative) result constituted by total assets minus the balance sheet items of fluctuation reserves, employer contribution reserves, borrowings such as accrued expenses, other creditors and liabilities, and reduced by the beneficiaries' defined associated resources (retirement capital, termination benefits or pension cover capital) and the actuarial provisions.

The actuarial provisions and the fluctuation reserves are based on the corresponding regulatory provisions.

<sup>2</sup> The entitlement to surplus funds and reserves of the beneficiaries remaining in the pension plan is always collective. Any deficit is also collectively attributable to the beneficiaries.

<sup>3</sup> Should the relevant assets and liabilities change by more than 5% between the effective date of the partial liquidation and transferral of the assets, a corresponding adjustment will be made.

#### **Art. 4 Proportion of the actuarial provisions and the fluctuation reserves**

<sup>1</sup> In a collective departure there is, in addition to an entitlement to the surplus funds, a collective proportionate entitlement to the fluctuation reserves and - to the extent corresponding risks can be transferred - also a collective, proportionate entitlement to the actuarial provisions. The Foundation Board shall adopt the necessary resolution.

<sup>2</sup> There is no collective entitlement to the actuarial provisions or fluctuation reserves if the departing group was responsible for triggering the partial liquidation.

<sup>3</sup> The proportionate entitlement to the actuarial provisions and the fluctuation reserves is based on the statements of the accredited pension actuary or on the values stated in the applicable balance sheet.

Entitlement of the collectively departing members to fluctuation reserves shall be proportionate to their share of entitlement to savings and actuarial reserves. The entitlement shall be reduced in accordance with the degree by which the departing insured persons have contributed less to the accumulation of the provisions in question than did those insured persons who remain in the Fund.

<sup>4</sup> Should the assets and liabilities in question change by more than 5% between the reference date of the partial liquidation and the transfer of the actuarial provisions and fluctuation reserves, a corresponding adjustment will be made.

<sup>5</sup> The nature and extent of the associated risks along with the effective date for the transfer and any changes in accordance with paragraph 4 must be stated in writing in the transfer agreement.

#### **Art. 5 Effective date and basis**

<sup>1</sup> The effective date for determining the surplus assets, the actuarial provisions and the fluctuation reserves or the shortfall is the balance sheet date nearest to the time frame after the event that led to the partial liquidation (Art. 1 (4)).

<sup>2</sup> Key elements for determining the surplus assets or the deficit are the audited balance sheet and the actuarial report prepared by the accredited pension actuary in respect of the effective date.

#### **Art. 6 Distribution plan**

<sup>1</sup> Distribution of the surplus assets initially takes place among the pension recipient or insured member groups on the basis of the amounts of pension cover capital or the termination benefits apportionable to both groups.

<sup>2</sup> Distribution of the entitlements then takes place on the basis of the

- individual pension reserves in the case of the pension recipients,
- qualifying termination benefits and the full contributing years in the case of insured members.

The criteria of qualifying termination benefit and full contributing years are equally weighted.

The qualifying termination benefit of the insured member is taken to mean the effective termination benefit minus the vested benefit deposits and buy-in amounts that were transferred into the Foundation in the five years preceding the effective date, plus the termination benefits provided in the same period (early withdrawals for home purchase / divorce).

<sup>3</sup> A contract must be concluded for collective transfers. This must be brought to the notice of the regulatory authority. Individual entitlements shall be transferred as provided for in Arts. 3 to 5 or Art. 25f VBA.

## **Art. 7 Procedure**

---

<sup>1</sup> The Foundation Board is responsible for determining whether a partial liquidation is necessary and for carrying out such a liquidation. The Foundation Board must determine in particular the event which caused the partial liquidation, the exact time it occurred and the applicable time frame pursuant to Art. 1 (4).

<sup>2</sup> In accordance with statutory provisions and the present regulations, and based on the actuarial appraisal prepared by the accredited pension actuary, the Board shall determine:

- the surplus funds;
- the actuarial provisions and fluctuation reserves;
- the deficit and its apportionment; and
- the distribution plan

The Foundation Board shall also notify the regulatory authority, the auditor and the accredited pension actuary.

If a partial liquidation issue in connection with an actuarial deficit (shortfall) is likely, the Foundation Board may decide to reduce appropriately the vested benefits of the insured members affected by the partial liquidation. Any subsequent payment shall be made after the partial liquidation becomes legally binding.

<sup>3</sup> The Foundation Board shall inform the pension recipients of the partial liquidation in writing, inform them in detail regarding the individual process steps and make them aware that for 30 days they have the opportunity to examine at the registered office of the pension fund the relevant balance sheet, the actuarial report and the distribution plan.

If it cannot be ensured that the written guidance can be sent to all persons concerned, the Foundation must publish the information three times in the Swiss Official Gazette of Commerce.

<sup>4</sup> During this 30-day period, pension recipients and insured members may dispute the conditions for a partial liquidation or file an objection with the Board against the procedure and distribution plan.

<sup>5</sup> If objections are filed, the Board shall hear the dissenters and respond to them in writing. If the objections are accepted, the distribution plan and/or the procedure shall be adapted accordingly.

<sup>6</sup> At the end of the period, the Board shall inform the regulatory authority whether any objections were filed,



and if and how they were settled.

If no objections were filed, or if the objections were settled in a mutually satisfactory manner, the Board shall implement the distribution plan provided it receives written confirmation from the regulatory authority that no objections were filed with it either within the time limit. The partial liquidation shall thereupon become legally binding.

<sup>7</sup> If an objection cannot be settled, the Foundation Board shall refer the objection to the regulatory authority with its written response and any other relevant documents.

The regulatory authority shall examine the matter and shall issue a decision on the conditions for a partial liquidation, the procedure, distribution plan and the objection.

In accordance with Article 74 OPA, the decision of the regulatory authority may be contested before the Federal Administrative Court within 30 days. The appeal against a decision of the regulatory authority shall, however, have only suspensive effect where so decided by the president of the competent division of the Federal Administrative Court or by the examining judge, whether ex officio or at the applicant's request.

#### **Art. 8** **Payment of costs**

---

The costs of implementing the partial liquidation shall be charged to the pension fund, or in the absence of surplus funds are to be borne by the employer.

#### **Art. 9** **Resolution / Amendment / Issue**

---

These regulations were adopted by the Foundation Board at its meeting of 20 November 2009. The regulations and all amendments were approved by competent regulatory authority on 18 March 2011. They must be distributed to all beneficiaries.

Basel, 20. November 2009

The Foundation Board

Urs Santschi  
Chairman

Christian Willi  
Foundation

# APPENDIX 4: RESTRUCTURING MEASURES

## Measures for covering the shortfall

(Art. 38, Financial balance)

Appendix 4 sets out the possible restructuring measures envisaged by Foundation to cover shortfalls in individual separate accounts (asset pools) or individual pension funds. The Foundation Board shall determine the restructuring measures to be implemented and review these twice a year. The Foundation Board shall provide the separate accounts with corresponding restructuring time limits. The separate accounts can co-determine the choice of restructuring measures to be implemented. In each case the principles of Article 65d OPA are to be adhered to.

The concrete quantification of the measures for each case shall be in line with the extent and duration of the shortfall. This will be discussed with the competent accredited pension actuary and in the case of closed separate accounts also with the competent pension committees. The Foundation Board uses the grid below:

DG	Duration of the existing shortfall in years						
	1	2	3	4	5	6	7
< 85%	x	x	x	x	x	x	x
< 90%		x	x	x	x	x	x
< 95%			x	x	x	x	x
< 100%				x	x	x	x

„x“ indicates that measures are to be taken. The form of the measures is based on Articles 65c, 65d and 65e OPA. The measures must be quantified in such a way that a shortfall may, according to the model, be remedied within 7 years of its coming into being.

A precondition for no measures being taken even in the event of a shortfall is that there are no funding deficits and that the shortfall can be remedied according to the model within 7 years even without measures being taken.

In individual cases the Foundation Board may deviate from this grid if it provides justification for so doing. In particular, in cases of high structural risk, earlier restructuring measures may be adopted, bearing in mind pension recipients belonging to a separate account.

The concrete restructuring measures are stated in Article 8 of this Appendix.

**Art. 1 Low or zero interest rates**

If the Foundation is experiencing a shortfall, the Foundation Board may decide, in accordance with Article 5 of the pension fund regulations, to apply low or zero interest rates to all or part of the retirement capital.

**Art. 2 Limitation of early withdrawal for home purchase**

Early withdrawal for home purchase to repay mortgage loans may be refused by the Foundation Board for the separate accounts that are experiencing a shortfall for their duration.

**Art. 3 Employer contribution reserve with waiver of use**

<sup>1</sup> An employer affiliated to a specific closed separate account may make deposits into a special account - employer contribution reserve with waiver of use - and also transfer to that account funds from the ordinary employer contribution reserve.

<sup>2</sup> The amounts paid in must not exceed the shortfall in funds and shall not bear interest. They may not be used for benefits, pledged, assigned or reduced in any other way.

<sup>3</sup> After the shortfall has been completely remedied the employer contribution reserve with waiver of use must be close and transferred to the ordinary employer contribution reserve. Early partial closure is not possible.

**Art. 4 One-off investment by the employer**

<sup>1</sup> The employer who is affiliated to a specific separate account may transfer funds in the form of a one-off investment into the pension assets and thereby reduce or counteract a shortfall.

<sup>2</sup> The employer will be unable to retrieve these assets at a later time.

**Art. 5 Restructuring contributions**

The Foundation Board may levy joint restructuring contributions for separate accounts showing a significant shortfall.

**Art. 6 Restructuring contributions by pension recipients**

The Foundation Board may also arrange the levying of restructuring contributions from pension recipients in the sense of Article 65d (3) (b) OPA. The pension recipients must be informed of this.

**Art. 7**      **Reduction of the OPA minimum interest rate pursuant to Art. 15 (2) OPA**

---

For separate accounts showing a significant shortfall, the Foundation Board may, having previously informed the insured members, reduce the minimum interest rate by a maximum of 0.5% for the duration of the shortfall but at the most for 5 years (Art. 65d (4) OPA).

**Art. 8**      **Entry into force**

---

This Appendix enters into effect on 1 January 2015.

Basel, 21. November 2014

The Foundation Board

# ANNEX 5 TO THE PENSION FUND REGULATIONS

The various conversion rates granted by the collective foundation to its beneficiaries in the course of its activities are to be compensated for on a long-term basis by improvements in benefits in the form of one-off capital payments to the relative beneficiary groups (generational cohorts).

Should, in any financial year, the fluctuation reserve reach a level of at least 75%, and when the average interest credited to the old-age savings capital of the actively insured members (from the viewpoint of the separate account level, and not from that of the initial membership year groups), is greater during the previous five years than the interest rate assurance for a generational cohort contained in the conversion rate, then improvements in benefits will be granted to the current old-age pensions of the affected generational cohorts under due consideration of any previously paid out and/or credited benefit improvements.

Actual Year of Pensionable Age (generational cohorts)	Legislative basis	Conversion rate	Interest rate assurance
Until 2005	EVK 2000	7.20%	4.30%
2006 – 2010	EVK 2000	7.10%	4.20%
2011 – 2012	BVG 2010, PT 2007	6.80%	4.10%
2013 – 2015	BVG 2010, PT 2007	6.40%	3.60%
2016	BVG 2015, PT 2015	6.40%	3.60%
2017	BVG 2015, PT 2015	6.20%	3.50%
2018	BVG 2015, PT 2015	6.00%	3.20%
2019 – 2020	BVG 2015, PT 2015	5.80%	2.90%
2021	BVG 2015, PT 2015	5.65%	2.70%
2022	BVG 2015, PT 2015	5.50%	2.50%
2023	BVG 2015, PT 2015	5.35%	2.20%
2024	BVG 2015, PT 2015	5.20%	2.00%

- The amount of benefit improvements depends on the coverage capital calculated on the cut-off date, within the current pensioner portfolio.
- Benefit improvements are 1% of the individual coverage capital per pensioner.
- The allocated funds are distributed among the pensioners in the form of a one-off capital payment on 30.09. of the following financial year. Should a pensioner die in the meantime, the claim is forfeited.
- Survivor and disability pensions as well as other entitlements are not affected by these rules.
- Divergent rules can apply to separate accounts. All divergences are fixed under the pension fund regulations (Annex 1).

Basel, Switzerland, 22. November 2019

Chairman of the Foundation Board  
sig. Urs Santschi

Vice Chairman of the Foundation Board  
sig. Dieter Sutter

UWPSAMMELSTIFTUNG

c/o Beratungsgesellschaft für die zweite Säule AG

Dornacherstrasse 230

4018 Basel

T +41 61 337 17 67

[uwp@berag.ch](mailto:uwp@berag.ch)

[www.uwp.ch](http://www.uwp.ch)