Swisscanto
1e Collective
Foundation

General framework regulations (GFR) effective from 1 January 2019

Swisscanto 1e Collective Foundation

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General framework regulations
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The plan-specific components of the pension scheme of a company are set out in the pension plan of the respective group of insured persons.

Art. 1 Pension carrier and purpose

Purpose

[1] These framework regulations govern the extra-mandatory employee benefits insurance of the employees of all employers who have concluded one or more affiliation contracts with the Swisscanto 1e Collective Foundation (hereinafter Foundation).

Structure

[2] The Foundation manages individual pension funds. The details are set out in the rules of organisation and the respective affiliation contract.

Supervision

[3] The Foundation is supervised by the Office for Employee Benefits Insurance and Foundation Supervision of the Canton of Zurich (BVS).

Security Fund

[4] The Foundation is affiliated with the BVG Security Fund, which it finances with contributions on behalf of each pension fund.

Reinsurance

[5] The insured risks of death and disability are fully reinsured with a life insurance company.

Legal relationships and benefits

[6] The legal relationships of the insured persons and the affiliated employer with the Foundation are governed by these framework regulations, the pension plan and the affiliation contract for the individual pension fund. The Foundation provides benefits in compliance with the provisions of the pension plan.

Art. 2 Affiliation with the Foundation

Affiliation contract

[1] An employer affiliates with the Foundation upon signature of the affiliation contract by the Foundation, but at the earliest on the date indicated in the affiliation contract. This contract sets out the rights and obligations of the contracting parties.

Pension fund

[2] The Foundation maintains a separate pension fund with at least one pension plan for each affiliated employer. A pension fund is managed by the pension fund commission, which consists of an equal number of employer and employee representatives.

Cancellation of affiliation contract

[3] The affiliation of an employer is cancelled when ordinary notice of termination of the affiliation contract is given in accordance with the contractual provisions and with the consent of the pension fund commission.

B. General provisions

Art. 3 Insured persons, conditions of admission

Group of insured persons

[1] All employees who are required under the pension plan to do so must join the pension fund of an affiliated employer at the start of their employment relationship.

Conditions of admission

[2] The following individuals are not admitted to the pension fund:

a. Employees whose pensionable annual salary as defined by the pension plan does not equal at least CHF 5’000 per year;
b. Employees who have not yet turned 17;
c. Employees who have already reached or exceeded the statutory retirement age;
d. Employees whose employment contract was concluded for a maximum period of three months. If the employment relationship is extended for a period of more than three months, the employee is insured from the date on which the extension was agreed. If several consecutive employment relationships with the same employer or periods of deployment for the same employment agency together last longer than three months in total and there is no interruption of more than three months, the employee shall be insured from the beginning of the fourth month; however, if it was agreed prior to the beginning of the employment relationship that the employment relationship/deployment would last longer than three months, the employee shall be insured from the beginning of the employment relationship;
e. Employees who work part-time and already have mandatory insurance cover for their main profession or who are primarily self-employed;
f. Employees who have been classified by the disability insurance (IV) as at least 70% disabled and persons whose insurance cover is provisionally continued with the previous pension scheme pursuant to Art. 26a BVG;
g. Employees who are not, or do not expect to be, permanently employed in Switzerland and who have adequate insurance cover abroad, provided they apply for exemption from joining the Foundation. This exception does not apply for persons who, in accordance with the bilateral agreements and the European law on which they are based, are subject to social security according to Swiss legislation.

Amounts below entry threshold

[3] If the annual salary falls below the entry threshold according to the pension plan and the employee therefore no longer has to be insured, a termination benefit shall fall due after two years at the latest.

Voluntary insurance

[4] The Foundation does not offer any voluntary insurance for part-time employees for the salary component they receive from other employers.

External insurance

[5] The Foundation does not continue any insurance for an employee whose employment relationship was terminated without entitlement to any benefits.

Unpaid leave

Medical examination

[6] If the employee takes unpaid leave, insurance cover can be continued in part or in full for a maximum of two years on application of the employer and provided that the contributions are paid. If, however, contributions are no longer paid, the insurance shall only continue for one month after the termination of contribution payments. After this period, the provisions of para. 3 apply.

Art. 4 Medical examination, restriction in benefits

Medical examination

[1] Potential employees must complete a health questionnaire. Based on the information provided, the management office of the Foundation can require the employee to submit to an examination by the medical examiner at the cost of the Foundation and request that a health certificate is issued for the attention of the Foundation.

Violation of duty of disclosure

[2] If the questions are not answered or not answered honestly, the provisions on the consequences of a violation of the duty of disclosure of the Federal Act on Insurance Contracts of 2 April 1908 shall apply mutatis mutandis.

Restrictions

[3] If the medical examination reveals an increased risk, the management office may, upon recommendation of the medical examiner, apply a temporary restriction for the risk benefits within a period of three months of receipt of the medical examination report. However, this restriction may only apply for a maximum of five years from the date of admission to the pension fund. For a restriction, the period that elapsed in the previous pension scheme must be deducted. If a pension claim arises, the cause of which is subject to a restriction, the accrued savings capital (including any special savings capital) shall be applied as for a vested benefits case and no disability benefits shall be due lifelong. There may be a claim for a lump-sum death benefit in the event of death.

Existing ailments

[4] If an insured event occurs before the medical examination can be carried out, the Foundation is entitled to refuse to pay risk benefits, insofar as they arise from the results of illnesses or accidents from which the employee already suffered prior to entering this employment relationship or for which they are susceptible due to previous ailments as well as for existing ailments and infirmities.

Pre-existing incapacity for work

[5] If an insured person is not fully capable of working before or on joining the Foundation and the cause of the incapacity for work fully leads to disability or death within the period defined by the BVG, they shall not be entitled to any benefits. If the employee was insured with another pension fund when they became incapable of working, the other pension fund is responsible for providing the relevant benefits.

No health questionnaire

[6] If, in spite of a reminder, the required health questionnaire is not delivered within the deadline or the additional documents or examinations that were requested are not provided within the deadline, the Foundation may decide to exclude the insured person for risk benefits from the Foundation. In this case, the insured person shall only have a retirement savings account and retirement benefits shall be paid if and when they fall due. There shall be no waiver of contributions for disability.

Art. 5 Age, retirement age

Age

[1] The insured person's age is the difference between the calendar year and the year of birth.

Retirement age

[2] The retirement age is defined in the pension plan. Early or deferred retirement is possible within the limits of the pension plan.

Entitlement

[3] The claim to retirement capital arises on the first day of the month following the date on which the insured reaches the retirement age.

Art. 6 Start and end of insurance

Start

[1] Insurance cover starts upon commencement of the employment relationship.

End

[2] The insurance obligation ends with the termination of the employment relationship, insofar as there is no entitlement to pension benefits.

Admission

[3] Admission to the insurance is governed by the pension plan. Admission takes place at the earliest on the date on which the conditions for insurance are met.

Extended cover

[4] The insured person remains covered for the risks of death and disability for one month following the termination of the pension relationship. If they enter a new pension relationship within this period, the new pension fund is responsible for the payment of benefits.

Art. 7 Pensionable annual salary

Annual salary

[1] The annual salary equals the presumed annual salary according to the Federal Law on Old Age and Survivors' Insurance (AHV).
The following principles must be observed when determining the annual salary:

a. Salary components that are only paid occasionally or temporarily are not included;
b. Payment in kind is treated as salary pursuant to the provisions of the AHV;
c. Loss of earnings due to sickness, accident or military service is not deducted;
d. For professions where there are major fluctuations in the work quota or the amount of the salary, the annual salary can be roughly determined based on the average salary for the relevant professional group;
e. The annual salary is limited to ten times the upper ceiling under Art. 8 para. 1 BVG.

Entry threshold

[2] The entry threshold is at least 1.5 times the upper limit pursuant to Art. 8 para. 1 BVG. It is specified in the pension plan.

Pensionable annual salary

[3] The pensionable annual salary equals the annual salary minus the entry threshold, but at least CHF 5'000. It is defined in the pension plan.

Admission during the year

[4] The annual salary is determined for the full year. If employment is started during the year, it is annualised.

Salary adjustments

[5] The annual salary is adjusted to the current situation on 1 January, whereby any changes agreed for the current year must be taken into account. If salary adjustments are made due to changes in the percentage of working hours, the annual salary can also be adjusted during the course of the insurance year. No adjustments are made for individuals who are fully incapable of working or fully disabled. If an insured event occurs, any incorrect adjustments are reversed.

Art. 4 can be applied mutatis mutandis to benefit increases.

Salary adjustment in the event of disability

[6] If an insured person is declared partially disabled within the meaning of Art. 13, the benefits are divided into a disability (passive) component according to the level of disability, for which no salary adjustments are made, and an active component for the remaining earning capacity, for which salary adjustments pursuant to the provisions of this Article can be made.

Art. 8 Selection of investment strategy

Basic principle

[1] The Foundation offers a maximum of ten investment strategies with different risk profiles for each pension fund. If the insured person does not exercise their right to choose, the savings capital is automatically invested in the low-risk strategy.

Investment performance

[2] The investment performance depends on the savings balance and the actual earnings for the selected investment strategy. There is no entitlement to a specific interest rate or a nominal value guarantee with regard to the invested capital.

Selection

[3] The insured person can choose or change the investment strategy once a month. The choice remains effective for as long as the insured person does not choose another strategy. Insured persons can make changes in electronic format.

Information about risks

[4] A questionnaire is used to assess the risk capacity on the basis of selected questions. An investment strategy that suits this risk capacity is then recommended. The Foundation informs the insured persons about the risks and costs by way of electronic fact sheets. Insured persons have to sign a form to confirm that they were informed about the costs and risks. If the insured person chooses a more risky investment strategy, they are informed that the selected investment strategy does not match their risk profile.

Employer contribution reserves

[5] The employer contribution reserves are only invested in the low-risk investment strategy.

C. Funding

Art. 9 Contributions

Start of obligation to pay contributions

[1] The obligation of the employer and the insured person to pay contributions starts on the date of admission to the pension fund.

End of obligation to pay contributions

[2] The obligation to pay contributions ends

a. upon leaving the pension fund;
b. when all retirement benefits fall due;
c. at the end of the month of death;
d. upon termination of the continued payment of the salary or the expiry of the daily benefits, unless provided otherwise in the pension plan, but at the latest when the insured person reaches retirement age.

Total contribution

[3] The total contribution is made up of the following components:

a. savings contribution;
b. supplementary contribution.

Savings contribution

[4] The savings contributions are used to accrue the savings capital. If the pension fund offers a choice between different savings plans, the insured person can choose from the savings plans upon joining the Foundation or at the beginning of a calendar year in accordance with the rules of the pension plan. A maximum of three savings plans per pension plan is allowed.

Benefit adjustment

[5] If the premiums are not sufficient to cover the risks of death and disability, the risk benefits for death and disability pursuant to the pension plan can be reduced from the following year.

Supplementary contribution

[6] The supplementary contributions are used to finance:

a. the risks of death and disability;
b. contributions to the Security Fund;
c. the administrative and other costs;
d. interest on pending termination benefits.

The Board of Trustees or the pension fund commission (subject to the consent of the Board of Trustees) can adjust the amount of the supplementary contribution to changed circumstances on 1 January every year. It is not refunded upon termination of the employment relationship.

Contribution amounts

[7] The contributions by the employer and the insured person are set out in the pension plan.

Salary deductions

[8] The employer owes all contributions to the Foundation. The employer must deduct the insured person’s contributions from their salaries. Supplementary contributions and savings contributions must be paid monthly, but at the latest before the end of the year. If the employer falls into arrears with the contributions, the Foundation charges reasonable interest on arrears.

Waiver of contributions

[9] If an insured person is incapable of gainful employment due to sickness or accident without interruption for the waiting period pursuant to the pension plan, the contributions of the insured person and the employer are reduced in accordance with the level of disability that applies for the calculation of the disability pension.

Waiting period

[10] The waiting period is calculated by adding together all periods during which the insured person was unable to work, unless they occurred immediately prior to a period during which the insured person was fully incapable of working for longer than 12 months. The insured person is entitled to a waiver of contributions without a new waiting period if they were previously entitled to a waiver of contributions and did not work full-time for longer than 12 months in the intervening period.

Art. 10 Savings capital, special savings account

Savings capital

[1] Savings capital is accrued for each insured person.

Accrual of savings capital

[2] The following is credited to the savings account:

a. the savings contributions;
b. the termination benefits brought into the pension fund from previous pension relationships;
c. repayments in the context of the promotion of home ownership;
d. repayments following a divorce;
e. compensation payments received following a divorce; and
f. interest and income from securities.

The savings account is debited with:

a. early withdrawals in the context of the promotion of home ownership;
b. compensation payments made following a divorce.

Special savings accounts

[3] The following is credited to the «Purchase of maximum benefits» and «Purchase to compensate for the effects of early retirement» special savings accounts:

a. Sums paid in by the insured person to purchase the maximum benefits and to partially eliminate the reduction at early retirement;
b. repayments in the context of the promotion of home ownership;
c. repayments following a divorce;
d. interest and income from securities.

The following is debited to the «Purchase of maximum benefits» and «Purchase to compensate for the effects of early retirement» special savings accounts:

a. early withdrawals in the context of the promotion of home ownership;
b. compensation payments made following a divorce.

Contributions in the event of disability

[4] In the event of full disability, the savings contributions based on the most recent pensionable annual salary shall continue to be credited to the savings capital until retirement age. In the event of partial disability, the savings capital is divided into a disabled (passive) component and an active component according to the level of disability. The disabled component is managed as for a fully disabled person and the active component as for an active insured person.

Art. 11 Entry lump sum, purchase of additional benefits

Entry benefits brought into pension fund

[1] Unless it is compulsory to transfer them to another pension scheme, termination benefits from previous pension schemes, including money held in vested benefits accounts and custody accounts or vested benefits policies, have to be transferred to the Foundation. The full amount is credited to the savings capital as per the transfer date.

Purchase of maximum benefits

[2] An active insured person whose savings capital does not cover the maximum retirement benefits can purchase additional pension benefits at any time prior to the occurrence of an insured event, subject to para. 7 and taking into account any assets from previous pension relationships and any Pillar 3a assets pursuant to Art. 60a of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV 2). The possible purchase sum is calculated on the basis of the selected savings plan (scaled by age) and may not on average exceed 25% of the pensionable annual salary per possible contribution year, without interest. The relevant purchase tables are provided in the pension plan. These purchases are credited to the «Purchase of maximum benefits» special savings account.

Purchase for early retirement

[3] If an active insured person has fully purchased all of their missing pension benefits pursuant to para. 2, they may also make additional payments to cover the reduction that occurs with early retirement. The reduction in the retirement capital that follows on early retirement can be eliminated in full if the theoretical retirement pension based on a conversion rate of 5.0% does not exceed the amount according to the model. The calculation of the amount that can be paid in to eliminate the reduction is set out in the purchase tables in the pension plan. The same parameters described in para. 2 are used to prepare these purchase tables. These purchases are credited to the «Purchase to compensate for the effects of early retirement» special savings account: Continued employment following purchase

Continued employment following purchase for early retirement

[4] As soon as the value of the retirement capital defined by the limits in the model plus the subsequent increase by the amount paid into the "Purchase to compensate for the effects of early retirement" account equals more than 105% of the regulatory retirement capital calculated in accordance with the model as set out in the pension plan, the following measures take effect:

- The employee and the employer no longer pay any contributions, apart from the supplementary contributions pursuant to Art. 9 para. 6.

Tax deductibility

[5] The insured person must verify with the relevant authorities whether the voluntary purchase according to paras. 2 and 3 may be deducted for income tax purposes.

Purchase restrictions

[6] Purchases may only be made until three years before retirement at the latest.

If advance withdrawals were made to finance residential property, voluntary purchases may only be made once these advance withdrawals have been repaid.

Persons from abroad

[7] Persons who move to Switzerland from abroad who have never before belonged to a pension fund in Switzerland may not purchase benefits for more than 20% of their pensionable salary during the first five years following enrolment.

D. Retirement benefits

Art. 12 Retirement capital

Entitlement

[1] On reaching retirement age or upon early retirement, the insured person or recipient of a disability pension is entitled to retirement capital.

Amount of retirement capital

[2] The amount of retirement capital depends on the savings capital and the savings capital held in the special savings accounts available at retirement.

Consent of spouse/ life partner

[3] Married insured persons and insured persons who live in a registered partnership must obtain the written consent and signature of the spouse or registered partner.The management office is entitled to request official certification by a notary or any other verification of the signature. If the consent cannot be obtained or if it is refused for no good reason, the matter can be referred to the civil court.

Early retirement

[4] Early retirement is possible at the earliest from the age of 58. Early retirement before this age is governed by Art. 1i para. 2 BVV2.

Semi-retirement

[5] In the event of semi-retirement from work during the period of early retirement, the insured person can request a corresponding semi-retirement pension if

a. the first stage of semi-retirement results in a reduction in the salary of at least 30%;
b. the insured person still works for at least 30%;
c. semi-retirement is taken over a maximum of two stages.

Deferred retirement

[6] If an insured person is employed beyond the regular retirement age with the agreement of their employer, they may continue to invest the retirement capital with the Foundation until the age of 70 at the latest. The savings contributions continue to accrue in accordance with the provisions of the pension plan. However, death and disability cover ends at the latest when the insured person reaches the retirement age. In the event of death, the savings capital is paid out to the beneficiary/ies.

Requirements for deferred retirement

[7] In the event of deferment of the total retirement benefits, the annual salary must equal at least two thirds of the annual salary which the insured person would have earned at retirement age. In the event of the deferment of half the retirement benefits, this must equal at least one third.

E. Disability benefits

Art. 13 Disability pension

Entitlement

[1] Insured persons who are at least 40% disabled as defined by the IV are entitled to a temporary disability pension, provided that they were insured with the Foundation when the incapacity for work, the cause of which led to disability, occurred.

Level of disability according to IV

[2] The level of disability equals the disability level applied by the IV. However, the Board of Trustees may deviate from the IV's decision if the Foundation's medical examiner supports this adjustment with a medical opinion.

Pension scale

[3] If the level of disability is 70% or more, the full disability pension is paid. If the level of disability is at least 60%, the insured person is entitled to a three-quarter pension, if it is at least 50%, a half pension, and if it is at least 40%, a quarter pension. There is no entitlement to a disability pension for a level of disability of less than 40%.

Start

[4] The temporary disability pension is paid after the expiry of the waiting period pursuant to the pension plan, but at the earliest after the termination of the continued salary payment or the expiry of any daily allowance from the loss of earnings insurance. In any case, a pension is paid at the earliest when the IV pension payments start.

Waiting period

[5] The waiting period is specified in the pension plan. The waiting period is calculated by adding together all periods during which the insured person was unable to work, unless they occurred immediately prior to a period during which the insured person was fully incapable of working for longer than 12 months. The insured person is entitled to a disability pension without a new waiting period if they were previously entitled to a disability pension and did not work full-time for longer than 12 months in the intervening period.

End

[6] The disability pension is paid during the period of earning incapacity, at the most, however, until regular retirement age is reached or until death. If the disability pension is reduced or cancelled within the context of Art. 26a BVG, the insured person shall remain insured at the same conditions for a period of three years.

Amount

[7] The amount of the disability pension is specified in the pension plan.

Reviews

[8] Disability pensioners are obliged to inform the Foundation of any reviews by the IV so that the Foundation can adjust its benefits, if necessary.

Art. 14 Disabled person's child's pension

Entitlement

1 Recipients of a disability pension are entitled to a disabled person's child's pension for every child who would be entitled to an orphan's pension in the event of their death.

Start / end

2 The disabled person's child's pension is paid from the same date as the disability pension. It expires when the underlying disability pension ceases, but at the latest when the claim pursuant to para. 1 ends.

Amount

3 The amount of the disabled person's child's pension is specified in the pension plan. In the case of partial disability, the amount of the disabled person's child's pension is calculated in accordance with Art. 13 para. 3.

F. Benefits in the event of death

Art. 15 Spouse's pension

Entitlement

1 The spouse or registered partner of a deceased insured person or pension recipient is entitled to a spouse's pension.

Single settlement

2 If the widow or widower remarries before the age of 45, the pension lapses and a single settlement equalling three consecutive annual pensions is paid out.

Start / end

3 The claim to a spouse's pension starts from the first month in which the salary or the pension of the deceased insured person is no longer paid. It expires with the death of the surviving spouse.

Amount

4 The amount of the spouse's pension is specified in the pension plan.

Lump-sum payment of spouse's pension

5 If an insured person dies before retirement age, the spouse's pension can also be drawn in the form of a lump sum, provided that the application for a lump-sum payment is submitted before the first pension payment is due. For a spouse who is 45 or older when the insured person dies, the one-off lump sum equals the actuarial reserve calculated in consideration of the age of the surviving spouse. If the spouse is younger than 45, the actuarial reserve is reduced by 3% for every year or part of a year by which the surviving spouse is younger than 45 at the death of the insured person. However, the minimum lump-sum payment equals at least four annual pensions. Pensions already paid are taken into account in the case of a lump-sum withdrawal. With the withdrawal of the lump sum, all regulatory claims – except for the claim to orphan's pensions – are deemed to have been discharged.

Pension reductions

6 If the surviving spouse is more than ten years younger than the insured person, the spouse's pension is reduced by 5% of the full spouse's pension for every year or part of a year by which the age difference is more than ten years, but by 50% at most.

Art. 16 Life partner's pension

Entitlement

[1] Based on the same requirements and reduction provisions as for the spouse's pension, the designated life partner of the insured person (same or opposite sex) is entitled to a survivor's pension equal to the spouse's pension. The life partner is entitled to a survivor's pension equal to the spouse's pension if

a. the insured person and the beneficiary were unmarried and there were no legal reasons (Art. 94 et seq. of the Swiss Civil Code), except for the fact that they were of the same gender and one of them was not the stepchild of the other, why they should not have married;
b. the partner does not receive any widow's, widower's or partner's pension from a Pillar 2 pension fund for a previous marriage or life partnership;
c. the partner and the deceased insured person demonstrably lived together in a permanent and exclusive relationship and in the same household for at least five years before the death of the insured person or at the time of death lived in the same household in a domestic partnership and were also responsible for the maintenance of one or more joint children who are entitled to an orphan's pension under the regulations.

Conditions

[2] The insured person must notify the management office in writing of the eligible life partner during their lifetime and before the occurrence of an insurance case. If no notification was made, no benefits shall fall due. Life partners of married insured persons are not entitled to a life partner's pension. Upon the occurrence of a claim, the management office shall establish finally whether the conditions for a life partner's pension have been fulfilled.

End

[3] The life-partner's pension ends if the pension recipient marries, enters into a new life partnership, or dies.

Art. 17 Orphan's pension

Entitlement

[1] The children of a deceased insured person are entitled to an orphan's pension if the pension plan makes provision for this, but foster and step-children only if the deceased insured person was responsible for their maintenance.

Start / end

[2] Entitlement starts upon the death of the insured person, at the earliest, however, upon termination of the continued payment of salary. It expires upon the orphan's death or upon the birthday specified in the pension plan.

Special cases

[3] Orphan's pensions may also be paid after the birthday specified in the pension plan, but at the most, however, until the age of 25:

a. to children who are still in education and do not have a main profession;
b. to disabled children who are disabled upon turning 18, until earning capacity is achieved. The pension to which the disabled child has a claim is calculated on the basis of the child's level of disability (same scale as in Art. 13 para. 3). If the child is permanently disabled, the management office shall decide on any further pension payments.

Amount

[4] The amount of the orphan's pension is specified in the pension plan.

Art. 18 Lump-sum death benefit

Entitlement

[1] If an insured person or a recipient of a disability pension dies, there is an entitlement to a lump-sum death benefit. The survivors are eligible according to the following ranking, independent of inheritance law:

a. the spouse; if none,
b. natural persons who were supported to a considerable extent by the insured person at the time of their death or the person with whom the insured person lived in a domestic partnership without interruption during the last five years before their death or who is responsible for supporting one or more joint children; if none,
c. the children, parents and siblings; if none,
d. the other legal heirs, to the exclusion of the community.

Entitlement pursuant to b only applies if the insured person notified the management office of the beneficiary in writing during their lifetime.

Amount of lump sum payable at death

[2] The lump-sum death benefit equals the savings capital accrued at the time of death for groups a to c, and for group d it equals half of the savings capital.

The lump sum payable at death is reduced by the present value of all pensions and settlements that are triggered by the death.

The savings capital held in the special savings accounts «Purchase of maximum benefits» and "Purchase to compensate for the effects of early retirement" is paid out as an additional lump-sum death benefit for all groups of persons.

Declaration

[3] The insured person may specify in a written declaration for the attention of the management office which persons within the entitled group are to be beneficiaries and what proportion of the lump-sum death benefit they are entitled to.

Absence of a declaration

[4] If the insured person did not submit a written declaration regarding the distribution of the lump-sum death benefit, the benefit shall be divided equally between the persons in the eligible beneficiary category, with the exception of group c. For the persons in the group pursuant to para. 1 c, if there is no written declaration, entitlement shall be in accordance with the order recorded, i.e. the children are entitled first to the lump-sum death benefit, if there are none, the parents and if there are none, the siblings.

Additional lump sum payable at death

[5] The Pension Commission can make provision for an additional lump sum payable at death. The amount of the death lump sum is specified in the pension plan.

G. Termination benefits

Art. 19 Due date of termination benefit

Due date

[1] If the pension relationship is terminated before an insured event has occurred and without any benefits under these regulations falling due, the insured person leaves the pension fund at the end of the last day for which there is an obligation to pay the salary and a termination benefit becomes due.

Interest on arrears

[2] If the Foundation does not transfer the termination benefit within 30 days after receiving the required instructions for the transfer, interest on arrears must be paid from the end of this period (BVG interest rate plus 1%).

Priority of retirement benefits

[3] If the insured person leaves the pension fund within the last five years before retirement age, there is no entitlement to a termination benefit, but the procedure for early retirement is triggered unless the insured person takes on new employment and the termination benefit can be transferred to a new pension scheme or the insured person has evidence of being registered as unemployed.

Art. 20 Amount of termination benefit

Calculation

[1] The termination benefit is calculated in accordance with Art. 19a FZG. The termination benefit equals the actual value of the accrued savings capital plus the savings capital in the special savings accounts according to the selected investment strategy.

Art. 21 Use of the termination benefit

New pension scheme

[1] The termination benefit is transferred to the new employer's pension fund.

Vested benefits account/policy

[2] Insured persons who do not join a new pension scheme must notify the management office of the form in which they wish to receive pension protection:

a. by opening a vested benefits account,
b. by setting up a vested benefits policy.

Duty of notification

[3] If the insured person does not provide the pension fund with any instructions on the use of their termination benefit, the termination benefit is transferred to the National Substitute Pension Plan at the earliest six months and at the latest two years after it falls due.

Payment in cash

4 At the request of the departing insured person, the termination benefit can be paid in cash, if:

a. they are leaving Switzerland permanently;
b. they take up self-employment and are therefore no longer subject to the mandatory employee benefits insurance;
c. the termination benefit is less than the insured person's annual contribution.

Payment in cash is not permitted if the insured person leaves Switzerland permanently and moves

Signature of spouse

5 If the departing insured person is married or lives in a registered partnership, a cash payment is only permitted with the written consent of the spouse. The management office is entitled to request certification by a notary or any other verification of the signature.

Art. 22 Occurrence of an insured event after departure

Extended liability period

1 If the Foundation has to pay survivors' or disability benefits after it has transferred the termination benefit, the termination benefit must be repaid up to the amount of the survivors' or disability benefits to be paid.

Reduction

2 If this repayment is not made, the insured benefits are reduced accordingly.

H. Divorce

Art. 23 Principles

Basic principle

[1] Based on a court order, the assets accrued in the employee benefits insurance during the marriage until the instigation of divorce proceedings are divided in the event of divorce.

Jurisdiction of the Swiss courts

[2] The Swiss courts have exclusive jurisdiction over the division of pension assets. Foreign divorce decrees that order a division of the pension assets with a Swiss pension fund must be recognised and declared enforceable (judgement or decree) by the competent Swiss court before the assets can be divided.

Funds received from the division of pension assets during a divorce

[3] The pension claims awarded to the active insured person during a divorce are treated in the same way as a termination benefit brought into the pension fund. The pension claims awarded to a recipient of a disability pension are credited to the savings account.

Repurchase

[4] The obligated spouse may repurchase benefits to replace the termination benefit transferred.

Claim to child's pensions

[5] The claim to a disabled person's child's pension that is valid at the time of the instigation of divorce proceedings shall not be affected by the division of pension assets due to a divorce. If, at the time of the instigation of divorce proceedings, a valid disabled person's child's pension is replaced by an orphan's pension, any reduction caused by the division of pension assets during the divorce in the underlying disability pension that is used to determine the amount of the orphan's pension shall not be taken into account.

BVG retirement assets

[6] The Foundation does not accept any BVG retirement assets. The statutory BVG component must be transferred to the relevant BVG-registered pension scheme of the insured person or disability pensioner.

Art. 24 Active insured persons

Reduction in savings capital

[1] If, based on the divorce decree, part of the termination benefit of an active insured person has to be transferred to the pension scheme or vested benefits institution of the divorced spouse, the balance of any special savings account is reduced first and then the savings capital.

Art. 25 Disability before retirement age

Transfer of part of the hypothetical termination benefit

[1] If, based on the divorce decree, part of the hypothetical termination benefit of a recipient of a disability pension who has not yet reached retirement age has to be transferred to the pension scheme or vested benefits institution of the divorced spouse, the balance of any special savings account is reduced first and then the savings capital.

Hypothetical termination benefit

[2] The hypothetical termination benefit equals the sum that would be subject to entitlement in the case of reactivation.

Reduction in savings capital in the event of disability

[3] For partially disabled insured, the balance of any special savings account maintained for the active component is reduced first and then the savings capital for the active component. If this is insufficient, the hypothetical termination benefit for the disability component is reduced for the remaining amount.

Reduction in coordinated disability pension

[4] The hypothetical termination benefit for a recipient of a disability pension whose pension has been reduced because of the coordination of benefits from the accident or military insurance can only be included in the division of pension assets if the disability pension without the claim to child's pensions would not suffer any reduction.

I. Financing of residential property

Art. 26 Advance withdrawal or pledge to finance residential property

Advance withdrawal or pledge

[1] An active insured person can apply for an advance withdrawal (minimum CHF 20'000) to finance owner-occupied residential property (purchase and construction of residential property, co-ownership investment in residential property or repayment of a mortgage) every five years, up to three years before they reach the retirement age pursuant to the pension plan. Owner-occupied means use by the insured person at their domicile or usual place of residence. The insured can also pledge this amount or their claim to pension benefits for the same purpose.

Amount

[2] The insured person may withdraw or pledge an amount equal to their termination benefit up until their 50th birthday. If the insured person is older than 50, they may claim, at most, the termination benefit to which they were entitled at the age of 50, but not more than the current termination benefit, or half of the termination benefit at the time of the withdrawal.

Duty of information

[3] The insured person may submit a written request for information on the amount available to finance residential property and the reduction in benefits associated with such a withdrawal. The management office advises the insured person on the options for closing the resulting gap in pension cover and the tax implications.

Documents

[4] If the insured person makes use of the advance withdrawal or pledge, they must submit all the documents that are required to legally confirm the purchase or construction of the residential property, the co-ownership investment in residential property or the repayment of mortgage loans. Married insured persons and insured persons who live in a registered partnership must also obtain the written consent and signature of the spouse or registered partner. The management office is entitled to request certification by a notary or any other verification of the signature.

Voluntary repayment

[5] The active insured person may repay the advance withdrawal in full or in part (minimum CHF 10'000) up to three years before the claim to retirement benefits arises.

Repayment obligation

[6] If the residential property is sold or if a third party is granted rights to the property that are equivalent to a sale of the property, the advance withdrawal must be repaid by the insured person. The repayment obligation lapses at the latest three years before the claim of the insured person to retirement benefits arises.

Fees

[7] The Foundation may charge the insured person a fee for the administrative expenses involved in processing the application for advance withdrawal and/or pledge if these expenses exceed the standard amount. These costs must be disclosed upon request.

Impact

[8] An advance withdrawal or pledge will result in a reduction in the savings capital and the savings capital in the special savings accounts and sometimes also in a reduction of the risk benefits (e.g. the death lump sum). At the insured person's request, the management office can arrange additional insurance to cover the resulting benefit gaps.

J. Further provisions governing benefits

Art. 27 Coordination of pension benefits

Benefit reductions

[1] The benefits pursuant to these regulations are reduced if, together with other creditable income, they exceed 90% of the last annual salary before the occurrence of the insured event. Creditable income includes benefits from:

a. the AHV/IV;
b. the accident insurance;
c. the military insurance;
d. Swiss and foreign social security schemes;
e. casualty insurance (health or accident insurance) for which the employer or in its place a foundation paid at least 50% of the premiums;
f. other pension schemes; and
g. vested benefits institutions (vested benefits policies and accounts).

Any income or replacement income that the disabled person still earns or can be reasonably expected to earn is also taken into account. The disability income pursuant to the IV decision is essentially used to determine this income. Any lump-sum benefits are actuarially converted into equivalent pensions.

Benefit reduction at retirement

[2] The retirement capital that replaces a disability pension at retirement age is coordinated in the same way as the previous disability pension for as long as benefits from the accident or military insurance are paid. A hypothetical conversion rate of 5.0% is applied.

Duty of advance payments

[3] The Foundation does not pay any advance benefits as defined in Art. 70 ATSG, Art. 22 para. 2 and Art. 26 para. 4 BVG.

Provisional continued insurance

[4] During the provisional continued insurance and maintenance of the benefit claim pursuant to Art. 26a BVG, the Foundation reduces the disability pension in accordance with the reduced level of disability of the insured person, but only to the extent that the pension reduction is balanced by additional income earned by the insured person.

Calculation

[5] Children's and orphan's pensions from the AHV/IV are credited in full. Care allowances for persons unable to look after themselves and allowances for physical or mental impairment, satisfaction payments and similar benefits are not included.

Co-ordination with accident insurance

[6] If the accident insurance does not pay the full disability or death benefits due to the fact that the insured event is not exclusively the result of a specific cause covered by the insurer, the benefits are granted pro rata pursuant to these regulations. The above provisions apply mutatis mutandis for insured events pursuant to the MVG.

Relevant date

[7] The date of death or the date on which the claim to disability benefits arises is the relevant date for the calculation of the pension benefits. Subsequent pension increases by social security insurers do not result in the reduction of a current pension. However, if the pension from a social security insurer is reduced or terminated, the benefits pursuant to these regulations are re-calculated.

Duty of assignment

[8] The beneficiaries of disability and survivor's benefits must assign their claims vis-à-vis liable third parties to the Foundation up to the amount of the obligation to pay benefits. To this extent, the Foundation has a right of recourse against the liable third parties.

Misconduct

[9] If other insurance carriers reduce or refuse their benefits due to incorrect behaviour, the calculation of the excess compensation shall be based on the full benefits.

Additional reductions

[10] The Foundation may reduce its benefits to the same degree if the AHV/IV reduces, terminates or declines a benefit due to the fact that the beneficiaries caused the death or disability by gross negligence or object to a rehabilitation measure ordered by the IV. If the accident or military insurance reduces its benefits, the Foundation can also reduce its benefits.

Claims for repayment

[11] Wrongfully received benefits may be reclaimed. Claims for repayment expire one year after the Foundation became aware of the incorrect payment, but five years after the benefit was paid at the latest. If a claim for repayment is derived from a punishable offence for which criminal law applies a longer period of limitation, the latter period shall apply.

Art. 28 Assignment, pledge and offsetting

Assignment / pledging

[1] Prior to maturity, the claim to benefits may neither be pledged nor transferred. Art. 24 is reserved.

Offset

[2] The benefit claim may be offset against claims assigned to the Foundation by the employer only if these claims refer to regulatory contributions that were not deducted from the insured person's salary.

Art. 29 Adjustment of current pensions in line with inflation

Pension adjustment

[1] The Board of Trustees annually reviews the adjustment of current pensions to inflation, taking into account the financial situation of the Foundation.

Annual accounts

[2] The Foundation comments on the decisions pursuant to para. 1 in its annual accounts or in the annual report.

Art. 30 Joint provisions

Payment frequency

[1] Pensions are paid in monthly instalments.

Expiry of pension claim

[2] The full pension is paid for the month in which entitlement to the pension ends.

Period of limitation

[3] The entitlement to vested pension rights does not expire if the insured person had not left the Foundation at the time of the insured event. A statute of limitations of five years applies to claims pertaining to regular contributions and benefits, and of ten years to other claims. Art. 129 to 142 of the Swiss Code of Obligations apply.

Place of performance

[4] The Foundation performs its obligations (payment of pension benefits) at the Swiss place of domicile of the insured person, in the absence of which by transfer to the account of a bank in Switzerland or abroad.

Registered partnership

[5] A registered partnership is deemed the same as a marriage pursuant to the Swiss Federal Law on the Registration of Partnerships for Same-Sex Couples (PartG). All the provisions of these regulations relating to spouses therefore apply equally for insured persons living in a registered partnership.

The regulatory provisions on divorce apply mutatis mutandis to the dissolution of a registered partnership by a court.

Art. 31 Gaps in the regulations, disputes

Version

[1] The German version of the regulations is binding in all matters of interpretation.

Omissions

[2] The Board of Trustees will decide on all individual cases in accordance with the purpose of the Foundation and the law, insofar as no provisions in these regulations apply to the case.

Disputes, place of jurisdiction

[3] Disputes arising from the interpretation and application of these regulations shall be settled by the competent court. The place of jurisdiction is the Swiss registered office or place of residence of the defendant or the location of the company where the insured person was employed.

Art. 32 Termination of an affiliation agreement

Reporting obligation

[1] An affiliated employer that discontinues part or all of its business activities has to inform the Foundation of this development without delay.

Portfolio of pensioners

[2] Pending and current disability and survivors' pensions shall be transferred to the new pension fund if the affiliation contract is terminated.

K. Organisation, administration and control

Art. 33 Governing and executive bodies of the Foundation

Board of Trustees

1 The Board of Trustees is the highest governing body of the Foundation. It consists of an equal number of employee and employer representatives. External representatives can also sit on the Board of Trustees. It is organised in accordance with the valid rules of organisation.

Pension fund commission

2 The affiliations elect their own pension fund commission, which consists of an equal number of employee and employer representatives of the relevant company. The pension fund commission represents the interests of the pension fund vis-à-vis the Board of Trustees and adopts the pension plans.

Auditor

3 The Board of Trustees appoints an auditor to carry out the annual audit in accordance with Art. 52c BVG. The auditor submits a written report on the results of its audit.

Pension actuary

4 The Board of Trustees appoints a recognised pension actuary to assess the Foundation periodically, but at least once every three years.

Rules of organisation

5 The Board of Trustees adopts rules of organisation describing the activities and powers of the persons and governing bodies responsible for advising and managing the Foundation.

Art. 34 Management office, financial year

Management office

1 Current business is handled by the management office under the supervision of the Board of Trustees.

Financial year

2 The annual accounts are closed on 31 December every year. Accounting is carried out in compliance with the legal provisions.

Art. 35 Duty of notification and information

Duty of information

1 Insured persons and their survivors are obliged to inform the Foundation truthfully and without delay of all circumstances and any changes relevant to their insurance cover and the calculation of their benefits and must submit the documents and proof required at their own cost.

Claims for repayment

2 The Board of Trustees has the right to terminate benefits or to reclaim benefits wrongly received, plus interest, if an insured person or a survivor has not fulfilled their duty of notification or if the information was not truthful.

Duty of information

3 The Foundation informs the insured persons annually about their entitlement to benefits, their pensionable annual salary, the contributions, the balance of the savings account and the special savings accounts, the organisation and financing of the Foundation and the members of the Board of Trustees.

Information upon request

[4] If the insured persons so request, they must be provided with the annual accounts and the annual report, as well as with information on the return on capital, the actuarial risk experience, the administrative costs and the funding ratio. The insured persons have the right at any time to submit written comments, suggestions and proposals to the Board of Trustees in relation to the Foundation.

Art. 36 Duty of confidentiality

Duties of confidentiality

[1] The members of the Board of Trustees, the pension fund commission and the persons entrusted with the management and control must maintain the utmost confidentiality regarding any information they acquire in the course of carrying out their duties for the Foundation. In particular, this duty extends to the personal, contractual and financial situation of the insured persons and their dependants, as well as their employer.

End of office

[2] The duty of confidentiality continues after the resignation from office or the termination of activities.

L. Transitional and final provisions

Art. 37 Entry into force, amendments

Entry into force

1 These framework regulations enter into force on 1 January 2019. They replace the version of 1 July 2018.

Amendments to the framework regulations

2 The Board of Trustees may amend the general framework regulations at any time, taking into account the legal provisions and the purpose of the Foundation. The benefits accrued by the insured persons and the pension recipients are guaranteed at all times. The Board of Trustees must present these general framework regulations and any amendments to the relevant supervisory authority for information purposes.

Amendments to the pension plan

3 The pension fund commission can at any time amend, supplement or cancel the pension plan within the context of the general framework regulations, subject to the consent of the Board of Trustees, the provisions of the deed of foundation and the law and provided that all vested rights are guaranteed.

Zurich, 27 November 2018

Swisscanto 1e Collective Foundation

The Board of Trustees

M. Abbreviations and terminology

AHVG	Swiss Federal Law on Old-Age and Survivors' Insurance of 20 December 1946, including implementing ordinances.
Affiliation contract	Contract between the Foundation and an employer on the basis of which the employer delegates the provision of employee benefits insurance to the Foundation.
Incapacity for work	Incapacity for work is defined as the full or partial inability to perform reasonable work in the previous profession or field of duties due to impaired physical, mental or psychological health. If this persists for a long period of time, a reasonable activity in another profession or field of duties is also considered (Art. 6 ATSG).
ATSG	Swiss Federal Law on the General Part of the Social Insurance Law of 6 October 2000.
BVG	Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans of 25 June 1982, including implementing ordinances.
BVV2	Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans of 18 April 1984.
Earning incapacity	Earning incapacity is defined as the continuing full or partial loss of the ability to take up employment in the relevant job market due to impaired physical, mental or psychological health in spite of reasonable treatment and rehabilitation (Art. 7 ATSG).
FZG	Swiss Federal Law on Vesting in Occupational Retirement, Survivors' and Disability Pension Plans of 17 December 1993.
FZV	Ordinance on Vesting in Occupational Retirement, Survivors' and Disability Pension Plans of 3 October 1994.
Disability	Disability is defined as full or partial earning incapacity that is likely to be permanent or to persist in the longer term (Art. 8 para. 1 ATSG).
IV	Swiss Federal Disability Insurance
Illness	Illness is defined as any impairment to physical, mental or psychological health that is not due to an accident and that requires medical examination or treatment or which results in an incapacity for work. Those illnesses that exist from birth are defined as congenital defects (Art. 3 ATSG).
MVG	Swiss Federal Law on Military Insurance of 20 September 1949, including implementing ordinances.

Projected interest rate	Interest rate used for extrapolating the insured person's savings capital until normal retirement age. The projected interest rate is not guaranteed.
Accident	Accident is defined as an unexpected and involuntary injury to the human body resulting from an extraordinary external cause which is harmful to physical, mental and psychological health or which leads to death (Art. 4 ATSG).
UVG	Swiss Federal Law on Accident Insurance of 20 March 1981, including implementing ordinances.
Insured persons	All male and female employees who have been enrolled with the Foundation.
Interest on arrears	Interest rate pursuant to Art. 7 FZV.
Pension fund commission	Commission of the pension fund consisting of an equal number of employer and employee representatives (like the Board of Trustees).
Pension plan	Supplementary provisions to the framework regulations applying specifically to an individual pension fund. The pension plan defines the amounts of the contributions and benefits, salary terms, retirement age, purchase options, etc.
Pension fund	Pension and cost unit which is set up by the Foundation for each affiliated employer.
WEF	Swiss Federal Law on the Encouragement of the Use of Vested Pension Accruals for Home Ownership of 17 December 1993.
WEFV	Ordinance on the Encouragement of the Use of Vested Pension Accruals for Home Ownership of 3 October 1994.