Swisscanto
1e Collective
Foundation

General Framework Regulations (GFR) valid from 01 January 2021

Swisscanto 1e Collective Foundation

Contents

A. Basis and structure

Introduction
The pension scheme of an affiliated company is defined by the General Framework Regulations and the pension plan.

General Framework Regulations
These General Framework Regulations provide the legal and organisational framework for the pension scheme of an affiliated company.

Pension plan
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. 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 policies

[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

[7] An employer affiliates with the Foundation on 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 funds

[8] The Foundation maintains a separate pension fund with at least one pension plan for each affiliated employer. The pension fund has its own pension fund commission consisting of an equal number of employer and employee representatives.

Cancellation of the affiliation contract

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

B. General provisions

Art. 3 Insured persons, Conditions of admission

Insured group of people

[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 insured annual salary, as defined in the pension plan, does not exceed CHF 5,000;
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 of 3 months. If the employment relationship is extended for a period of more than 3 months, the employee is insured from the date on which the extension was agreed. If several consecutive employment relationships with the same employer, or deployment on loan from the same firm, together last longer than 3 months and there is no interruption of more than 3 months, the employee will be admitted from the beginning of the fourth month in total; however, if it was agreed prior to the beginning of employment that the employment relationship or deployment would last longer than 3 months in total, the employee is admitted from the beginning of the employment relationship;
e. Employees who work part-time and already have mandatory insurance for a their main job or who are primarily self-employed;
f. Persons who have been classified by the invalidity insurance (IV) scheme as at least 70% disabled and persons whose insurance cover has been provisionally continued with their previous pension scheme pursuant to article 26a BVG;
g. Employees who are not, or do not expect to be, permanently employed in Switzerland and who are adequately insured 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 under Swiss legislation.

Amounts below the entry threshold

[3] If the annual salary falls below the entry threshold laid down in the pension plan and the employee is therefore no longer subject to insurance cover, the employee shall leave the pension plan (see Start and end of insurance para. 4).

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 cover for an employee whose employment relationship was terminated without entitlement to any benefits.

Unpaid leave

[6] If the employee takes unpaid leave, insurance cover can be continued in part or in full for up to 2 years, on application by the employer and provided that the contributions are paid. If, however, contributions are no longer paid, the insurance will only continue for one month after termination of contribution payments. After this period, the provisions of para. 3 apply. This pension relationship shall to be regulated in a special contract between the Collective Foundation and the insured person.

Art. 4 Medical examination, Restriction in benefits

Medical examination

1 Employees to be included must complete a health questionnaire. Based on the information provided, the Foundation management office 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 be issued for the attention of the Foundation.

Breach of duty to notify

2 If the employee to be included provides incorrect information in the health questionnaire, or if they withhold facts or if they refuse the medical examination, the Foundation can give the insured a notice period, by registered letter, of six months – after it has received certain knowledge of the breach of the duty to disclose or refusal to cooperate – of withdrawal from the pension contract.

Reservations

3 The management office may, within 3 months of receipt of the medical report, apply a health reservation for risk benefits. However, this may only apply for a maximum of 5 years from the date of admission to the pension scheme. The reservation period that had already elapsed in a previous pension scheme shall be deducted. If an insured event occurs, the reason for which was the subject of a health reservation, any savings build-up (incl. any special savings assets) will be dealt with as a vested benefit and no disability benefit will be due for the rest of the person's life. Any insured benefits not the subject of the health reservation shall be dealt with normally. In this connection, work incapacity which leads to death or disability shall be treated as an insured event.

Existing health conditions

4 If an insured event occurs before the medical examination can be carried out, the Foundation is entitled not to pay any risk benefits insofar as the event is the consequence of illnesses or accidents from which the employee already suffered prior to joining the pension fund or for which they are susceptible due to existing health conditions as well as for existing ailments and infirmities.

Pre-existing incapacity for work

5 If a person is not fully able to work before or upon being admitted to the Foundation and the cause of this incapacity for work leads to disability or death within 5 years, there is no entitlement to benefits. If the person was insured with another pension fund when they became incapable of working, the other pension fund is responsible for providing the relevant benefits.

Failure to provide a health declaration

6 If the requested health declaration is not provided within the deadline set despite a reminder or if additionally requested documents or examinations are not provided on time despite a reminder, the Foundation is entitled not to accept the insured person into the Foundation for risk benefits. In this case, retirement assets only are kept for the insured person and, where necessary, retirement benefits are provided. There is no exemption from contributions in the event of incapacity to work.

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 Retirement age is defined in the pension plan. Early or deferred retirement is possible within the limits of the pension plan.

Entitlement/ claim

3 A claim for retirement benefits arises on the first day of the month following the date the insured person reaches retirement age.

Art. 6 Start and end of insurance

Commencement

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

End

[2] The insurance obligation ends with termination of the employment relationship, provided 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.

Continued coverage

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

Art. 7 Pensionable annual salary

Annual salary

[1] The annual salary equals the presumed annual salary according to the Federal Act on Old-Age and Surviving Dependants' Insurance (AHV).

The following principles must be observed when determining the annual salary:

a. Salary components only paid occasionally or temporarily are not included;
b. Payment in kind is treated as salary in accordance with AHV provisions;
c. Loss of earnings due to sickness, accident or military service is not deducted;
e. For professions where there are major fluctuations in work quota or salary amount, the annual salary can be determined as a flat-rate based on the average salary for the relevant professional group;
f. Annual salary is capped at ten times the upper ceiling as per Art. 8 para. 1 BVG.

Admission threshold

[2] The admission threshold is at least one and a half times the upper ceiling provided for in Art. 8 para. 1 BVG. This is laid down in the pension plan.

Pensionable annual salary

[3] The pensionable annual salary corresponds to the annual salary less the amount of the admission threshold, but at least CHF 5,000. Details are set out in the pension plan.

Admission during the year

[4] The annual salary is determined for a 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 each year, 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 as defined by 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 Choice of investment strategy

General principles

[1] The Foundation offers a maximum of 10 investment strategies with varying risk profiles per pension fund. If the insured person does not exercise their option, the savings capital is automatically invested in the low-risk strategy.

General principles

[2] Investment performance is based on savings assets and the actual income of the selected investment strategy. There is no entitlement to a specific interest rate or a nominal value guarantee with regard to the invested capital.

Choice

[3] The insured person may choose or alter their investment strategy once a month. A choice of strategy remains valid as long as the insured person has not chosen another option. Alterations may be made by the insured person in electronic form.

Risk information

[4] A questionnaire based on selected questions is used to determine risk tolerance. Risk tolerance is then used to suggest an appropriate investment strategy. The Foundation provides risk and cost information to the insured person by means of electronically activated fact sheets. By signing a form, the insured person confirms having been informed of the costs and risks. If the insured person chooses a high risk investment strategy then they will be informed that the chosen investment strategy does not fit their risk profile.

Employer contribution reserves

[5] Employer contribution reserves are exclusively invested in low-risk investment strategies.

C. Financing

Art. 9 Contributions

Commencement of the obligation to contribute

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 the contribution obligation

2 The obligation to pay contributions ends
a. on leaving the pension fund;
b. when all retirement benefits fall due;
c. at the end of the month of death;
d. on termination of the continued payment of salary or expiry of 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 build up savings capital. If the pension fund offers a choice between different savings plans, the insured person can choose between 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 are possible per pension plan.

Adjustment of benefits

5 If the premiums are insufficient to cover the death and disability risk, the disability and death risk benefits provided for in the pension plan can be reduced as 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. administrative and other expenses;
d. interest on outstanding termination benefits.

The Board of Trustees or the pension fund commission 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 amount of employer and insured person contributions are set out in the pension plan.

Salary deductions

8 The employer is responsible for payment of all contributions to the Foundation. The employer deducts the insured persons' 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 contributions, the Foundation charges reasonable interest on arrears.

Waiver of contributions

[9] If an insured person is incapable of working due to sickness or accident throughout the waiting period laid down by the pension plan, the contributions of the insured person and the employer are reduced in accordance with the degree of incapacity on which the disability pension is based.

Waiting period

[10] The waiting period is calculated by adding together all periods of incapacity to work, unless they occurred immediately prior to a period of total inability to work of over 6 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 was fully able to work for no longer than 6 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. savings contributions;
b. termination benefits brought in from previous pension schemes;
c. repayments of funds withdrawn to finance home ownership;
d. repayments following divorce;
e. compensation payments following a divorce; and
f. interest and income from securities.

The savings account is debited with:

a. early withdrawals to finance home ownership;
b. compensation payments following divorce.

Special savings accounts

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

a. Sums paid in by the insured person to purchase maximum benefits and to partially eliminate the pension reduction on early retirement:
b. repayments of funds withdrawn to finance home ownership;
c. repayments following divorce
d. interest and income from securities.

The special savings accounts “Purchase of maximum benefits” and “Purchase to compensate for the effects of early retirement” are debited with the following:

a. early withdrawals to finance home ownership;
b. compensation payments following 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 continue to be credited to the savings capital until retirement age. In the event of incapacity to work the savings contributions will be paid for a maximum period of 2 years. In the event of partial disability, the savings capital is divided into a disabled (passive) component and an active component. The disabled component is managed as for a fully disabled person and the active component as for an active insured person.

Art. 11 Entry benefits, purchase of additional benefits

Entry benefits

1 Termination benefits from other pension schemes, including funds from vested benefit accounts and/or deposit accounts or vested benefit policies, must be brought into the Foundation as an entry benefit unless they must compulsorily be transferred to another scheme. The full amount is credited to personal savings capital as per the date of transfer.

Purchase of maximum benefits

2 An active insured person with full work capacity and 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 BVV 2. Calculation of the potential purchase amount is based on the selected savings plan (scaled by age) and amounts, on average, to a maximum of 25% of the pensionable annual salary per available contribution year before compounding. The corresponding purchase tables can be found 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 purchased all their missing pension benefits pursuant to para. 2 in full, they may also make additional payments to cover part of the shortfall that occurs with early retirement. The pension reduction can be eliminated in full if the theoretical retirement pension with an assumed conversion rate of 5.0% does not exceed the amount according to the model. The calculation of the amount that can be paid in is set out in the purchase tables in the pension plan. The same principles as 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 for early retirement

4 As soon as the value of the retirement pension 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 pension calculated in accordance with the model as set out in the pension plan, the following measures take effect:

– The employee and the employer do not pay any more contributions, apart from supplementary contributions pursuant to Art. 9 para. 6.

Tax deductibility

5 The insured person should verify personally 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 be made at the latest 3 years before retirement.
If advance withdrawals have been made to finance home ownership, any optional purchases may only be made once the early withdrawals have been repaid.

Moving from abroad

7 Persons who move to Switzerland from abroad and 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 after admission.

D. Old-age benefits

Art. 12 Retirement pension

Entitlement/claim

[1] On reaching retirement age or in the event of early retirement, the insured person is entitled to a retirement pension.

Pension amount

[2] The amount of the retirement pension is calculated by converting the accrued savings capital, plus the savings capital in the special savings accounts.

Approval by the spouse/partner

[3] For insured persons who are married or living in a registered partnership the written agreement of the spouse or life partner is necessary. The management office is entitled to request official certification or any other verification of the signature. If this approval cannot be obtained or if it is refused without good cause, the insured shall have recourse to the civil court.

Early retirement

[4] Early retirement is possible at the earliest from the age of 58. Retirement at an earlier age is possible in the terms of 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 provided

a. initial semi-retirement reduces their relevant annual salary by at least 30 per cent;
b. the residual level of employment amounts to at least 30 per cent.
c. semi-retirement takes place in a maximum of two stages.

Deferred retirement

[6] If, in agreement with the employer, an insured person remains in an employment relationship beyond retirement age, they can have the retirement capital lodged by the Foundation in an investment vehicle, up to a maximum of age 70. Savings contributions will continue to accrue pursuant to the pension plan conditions. However, death and disability insurance cover ends at the latest at retirement age. In the event of death, the savings capital will be paid out to the beneficiary/beneficiaries.

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 that the insured person would have earned at retirement age.

In the event of deferment of half the retirement benefits, this must equal at least one third.

E. Disability benefits

Art. 13 Disability pension

Entitlement/claim

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 is that determined by the IV, whereby the Board of Trustees may deviate from the decision of the IV, provided the Foundation's appointed medical examiner supports this and the reinsurer agrees to this correction.

Pension grading

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, a half pension if it is at least 50%, and a quarter pension if it is at least 40%. There is no entitlement to a disability pension for a level of disability of less than 40%.

Commencement

4 The temporary disability pension is paid after the expiry of the waiting period pursuant to the pension plan, but at the earliest after termination of the continued salary payment or the expiry of any daily allowance from the loss of earnings insurance. Payment of a pension shall take place at the earliest on commencement of IV pension payments.

Waiting period

5 The waiting period is specified in the pension plan. The waiting period is calculated by adding together all periods of incapacity to work, unless they occurred immediately prior to a period of total inability to work of over 6 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 they were not able to work full-time for longer than 6 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 in the terms of article 26a BVG, the insured person will remain insured at the same conditions for a period of three years.

Amount

7 The amount of the disability pension is defined 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 child's benefits

Entitlement/claim

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

Start and end

2 A disabled person's child's pension is paid from the same point in time 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 as per Art. 13 para. 3. with Art. 17 para. 3.

F. Death benefits

Art. 15 Surviving spouse's benefit

Entitlement/claim

[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 3 times the annual pension is paid out.

Start and 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.

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

Lump-sum payment of a spouse's pension

Information of life partner

[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 an application for this 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 for a lump-sum withdrawal. With the lump-sum withdrawal, 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/claim

[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, provided this is provided for in the pension plan. 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, ZGB), 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 by virtue of 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 have notified the management office in writing of the eligible life partner during their lifetime. If no notification was made, no benefits will be 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 will 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 a new life partnership or dies.

Art. 17 Orphan's pension

Reduction

[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 and end

[2] Entitlement starts upon the death of the insured person, but at the earliest 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

[2] 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. for children who are still in education and do not have a main profession;
b. for 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 Disability pension para. 3). If the child is permanently disabled, the management office will decide on any further pension payments

Amount

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

Art. 18 Lump-sum payable on death

Entitlement / claim

[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, without reference to inheritance law:

a. the spouse, if none
b. the children or foster children of the deceased who are eligible for support; for whom there is an entitlement to an orphan's pension under Orphan's pension; if none
c. 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
d. the children, provided they do not come under b) above, parents and siblings; if none
e. 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 on death

[2] The lump-sum death benefit equals the savings capital accrued at the time of death for groups a) to d), and for group e) 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 distribution of the lump-sum death benefit, the benefit will be divided equally between the persons in an eligible beneficiary group, with the exception of group d). For the persons in the group described in para. 1 d), if there is no written declaration, entitlement will be in accordance with precedence, i.e. 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 on death

[5] The pension commission may provide for an additional lump-sum payment on death. The amount of the lump sum payable on death is specified in the pension plan.

G. Termination benefits

Art. 19 Pension for divorced spouses

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.

Default interest

[2] If the Foundation does not transfer the termination benefit within 30 days after receiving the necessary transfer instructions, 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 5 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 methods

[1] The termination benefit is calculated in accordance with article 19a FZG. The termination benefit equals the effective value of the available savings capital as well as the savings capital held in the special savings account depending on the chosen investment strategy.

Art. 21 Use of the termination benefit

New pension scheme

[1] The termination benefit will be 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 plus interest is transferred to the Substitute Occupational Benefit Institution at the earliest six months and at the latest two years after it falls due.

Cash disbursements

[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 to Liechtenstein.

Signature of spouse

[5] If the departing insured person is married or 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 due.

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

H. Divorce

Art. 23 General principles

General principles

1 In the event of divorce and based on a court ruling, entitlements acquired from the occupational pension plan during the marriage are settled up to the point at which the divorce proceedings are initiated.

Jurisdiction of Swiss courts

2 The Swiss courts have exclusive jurisdiction over the division of pension assets. If a foreign divorce judgement rules on the division of claims against Swiss pension schemes, a declaration of recognition and enforcement (judgement or decision) from the competent Swiss court must be obtained for that division to be enforced.

Utilisation of proceeds from a division of pension assets

3 The pension entitlements granted to an active insured person as a result of divorce are treated as a termination benefit brought in. The pension entitlements granted to recipients of a disability pension are credited to the savings account.

Repurchase

4 The obligated spouse can repurchase as part of the transferred termination benefit.

Entitlement to child's benefits

5 Child's pensions that are current on the date on which divorce proceedings are filed are not affected by a division of pension assets after divorce. If a disabled person's child's pension already current when initiating proceedings is replaced by an orphan's pension, reductions in the underlying disability pension as a result of the division of pension assets after divorce are not taken into account.

BVG retirement savings

6 The Foundation does not accept BVG retirement assets. The statutory BVG part must be transferred to the BVG-registered pension fund of the insured person or that of the recipient of a disability pension.

Art. 24 Active insured persons

Reduction of savings capital

1 If, based on a court ruling, part of the termination benefit of an active insured person is to be transferred to the divorced spouse's pension or vested benefits institution, any special savings account is reduced first and then the savings capital.

Art. 25 Disablement before retirement age

Transfer of part of a hypothetical termination benefit

1 If, based on a court judgement, a recipient of a disability pension who has not yet reached retirement age is to transfer part of their hypothetical termination benefit to a divorced spouse's pension or vested benefits institution, any special savings account is reduced first and then the savings capital.

Hypothetical termination benefit

2 The hypothetical termination benefit corresponds to the amount to which there would be an entitlement upon reactivati

Reduction of savings capital in the event of disability

[3] For partially disabled persons, any special savings account held for the active part is reduced first and then the savings capital held for the active part. If all this is not sufficient, the hypothetical termination benefit for the disabled part is reduced for the remaining amount.

Reductions in the coordinated disability pension

[4] The hypothetical termination benefit for a recipient of a disability pension whose pension is reduced as a result of coincidence with benefits from accident or military insurance can only be used for a pension adjustment if the disability pension would not have been reduced without an entitlement to a disabled person's child's pension.

I. Financing residential property

Art. 26 Advance withdrawal or pledge to finance residential property

Advance withdrawal or pledge

1 An active insured person can apply for a 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, or half of the termination benefit at the time of the withdrawal.

Obligation to provide 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. Insured persons who are married or living in a registered partnership must also obtain the written agreement of the spouse or life partner. The management office is entitled to request certification by a notary or any other verification of the signature.

Voluntary repayment

5 An active insured person may repay the advance withdrawal in full or in part (minimum CHF 10,000) up until a 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 as soon as the insured person reaches retirement age.

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 savings capital in the special savings accounts and sometimes also in reduced risk benefits (e.g. death benefit). 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

Conditions

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

a. AHV/IV;
b. accident insurance;
c. 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);

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

Benefit reductions at retirement

[2] Retirement capital, which replaces a disability pension on reaching retirement age, is coordinated in the same way as the previous disability pension, for as long as benefits from accident or military insurance are drawn. A hypothetical conversion rate of 5.0% is used.

Advance payment requirement

[3] The Foundation does not make any advance payments within the meaning of Art 70 ATSG, Art. 22 para. 2 and Art. 26 para. 4 BVG.

Temporary continuation of insurance

[4] During the period of continued insurance cover and maintenance of the entitlement to benefits pursuant to art. 26a BVG, the Foundation will reduce the disability benefit in line with the insured's reduced degree of disability, but only to the extent that this reduction is compensated by additional income earned by the insured.

Crediting

[5] AHV and IV child and orphan's pensions are fully taken into account. Compensation for incapacitation and loss of bodily functions, satisfaction benefits and similar benefits are not taken into account.

Coordination with accident insurances

[6] Where accident insurance or military insurance does not pay out full disability or death benefits because the incident giving rise to the claim was not exclusively caused by circumstances covered by the scheme, the benefits stipulated in these Regulations will be awarded on a pro-rata basis. The above provisions shall also apply correspondingly to insurance claims under military insurance (MVG).

Relevant point in time

[7] The time of death or entitlement to disability benefits is decisive for the calculation of pension benefits. Subsequent pension increases by social security carriers shall not cause a reduction in current pensions. Regulatory benefits will, however, be recalculated if a social security pension is reduced or discontinued.

Duty of assignment

[8] The beneficiaries of disability and survivors' benefits must assign their claims against liable third parties over to the Foundation up to the amount of their 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 excess compensation will be based on the full benefits.

Additional reductions

[10] The Foundation may reduce its benefits to the same degree as AHV/IV if it reduces, terminates or declines a benefit due to the fact that the beneficiaries caused the death or disability by gross negligence or have objected 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 shall lapse one year after the Foundation has become aware of the incorrect payment, but at the latest 5 years after payment of the benefit. If a claim for repayment is derived from a criminal act for which a longer period of limitation is stipulated in criminal law, the longer period shall apply.

Art. 28 Assignment, pledge and offsetting

Assignment and pledging

[1] Prior to maturity, a claim for benefits may be neither pledged nor transferred. Active insured persons is reserved.

Offset

[2] A 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 adjustments

[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 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 entitlement

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

Limitation of claims

[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. Claims relating to periodical contributions and benefits shall become time-barred after five years and other claims after ten years. Articles 129–142 of the Code of Obligations (OR) 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 partnerships

[5] A registered partnership pursuant to the Federal Act on Registered Partnerships between Persons of the Same Sex (PartG) is deemed to be the same as marriage. All the provisions of these Regulations relating to spouses therefore apply equally for insured persons living in a registered partnership.

Art. 31 Gaps in regulations, disputes

Version

The German text of these Regulations is authoritative.

Gaps

[1] 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

[2] 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 contract

Duty to provide information

[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 retirement, disability and survivors' pensions will 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 members may also sit on the Board of Trustees. It is organised in accordance with the current Rules of Organisation.

Pension fund commission

[2] Affiliates elect their own pension fund commission consisting of an equal number of employer and employee representatives of the affiliated company. The pension fund commission represents the interests of the pension fund vis-à-vis the Board of Trustees and determines the pension plans.

Auditors

[3] The Board of Trustees appoints an auditor to carry out the annual audit laid down by article 52c BVG. The auditor submits a written report on the results of its audit.

Experts

[4] The Board of Trustees appoints a recognised pension actuary to assess the Foundation periodically, but at least once every 3 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

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

Insured's disclosure obligation

[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 proofs required at their own cost.

Claim 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.

Obligation to provide information

[3] The Foundation informs the insured persons annually as to their benefit entitlements, their pensionable annual salary, contributions, the balance held in the savings account and special savings accounts, the organisation and financing of the Foundation and the members of the Board of Trustees and Pension Fund Commission.

Information on 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, actuarial risk experience, administrative costs, the calculation of the actuarial reserve, the creation of reserves and the funding ratio. The insured persons have the right at any time to submit verbal or written comments, suggestions and proposals regarding the Foundation to the Board of Trustees.

Art. 36 Duty of confidentiality, Data protection

Duties of confidentiality

[1] The members of the Board of Trustees, the pension fund commission and the persons entrusted with 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 leaving office or termination of activities.

Data transfer to insurance companies

[3] The Foundation may forward data to the insurance company for processing, insofar as such information is required by the insurance company for the purpose of reviewing proposals, contract management and claims settling (names, dates of birth, medical records, underwriting decisions, etc.). The insured person has a duty to assist the Foundation and the insurance company in obtaining information and documents.

L. Transitional and final provisions

Art. 37 Entry into force, amendments

Entry into force

[1] These Framework Regulations enter into force on 1 January 2021. They replace the version effective 1 January 2019.

Transitional provisions

[2] The scope and duration of benefits are determined when the incapacity for work occurs, the cause of which led to disability or death. The regulations valid at that time and the insured salary at the onset of incapacity for work shall apply.

Amendments to the Framework Regulations

[3] The General Framework Regulations may be changed by the Board of Trustees at any time within the framework of the statutory 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

[4] 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 all vested rights are guaranteed.

Zurich, 1 December 2020

Swisscanto 1e Collective Foundation

The Board of Trustees

M. Abbreviations and terms

AHVG	Federal Act of 20 December 1946 on Old Age and Survivors' Insurance, 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 the full or partial inability due to an impairment of physical, mental or psychological health to carry out reasonable work in the previous profession or remit. If this persists for a long period of time, a reasonable activity in another profession or field of duties is also taken into consideration (Art. 6 ATSG).
ATSG	Federal Act of 6 October 2000 on General Aspects of Social Security Law.
BVG	Federal Act of 25 June 1982 on Occupational Retirement, Survivors' and Disability Pension Provisions
BVV2	Ordinance of 18 April 1984 on Occupational Old Age, Survivors' and Invalidity Pension Provision.
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).
FZG	Federal Act of 17 December 1993 on the Vesting of Occupational Old Age, Survivors' and Invalidity Benefits.
FZV	Ordinance of 3 October 1994 on the Vesting of Occupational Old Age, Survivors' and Invalidity Benefits.
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	Federal Invalidity 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 results in an incapacity for work. Those illnesses that exist from birth are defined as congenital defects (Art. 3 ATSG).
MVG	Federal Act of 20 September 1949 on Military Insurance, including implementing ordinances.
Projected interest rate	Interest rate used for extrapolating the insured person's savings capital up 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 that is harmful to physical, mental and psychological health or leads to death (Art. 4 ATSG).
UVG	Federal Act of 20 March 1981 on Accident Insurance, including implementing ordinances. Insured persons
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 (as with 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 definitions, retirement age, purchase options, etc.
Pension funds	Pension and cost unit that is set up by the Foundation for each affiliated employer.
WEF	Federal Act of 17 December 1993 on the Promotion of Home Ownership using Occupational Pension Benefits.
WEFV	Ordinance of 3 October 1994 on the Promotion of Home Ownership using Occupational Pension Benefits.