

Pension Fund Regulations Swisscanto 1e Collective Foundation

(formerly General Framework Regulations, GFR)

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swisscanto

Swisscanto
1e Collective Foundation

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A **Basic principles and structure**

Introduction

The pension scheme of an affiliated company is governed by these Pension Fund Regulations and the pension plan.

Pension Fund Regulations

These Pension Fund Regulations form the legal and organisational basis for the pension scheme of any affiliated company.

Pension plan

The plan-specific elements of a company's pension scheme are set out in the pension plan of the corresponding group of insured persons.

Art. 1 Pension provider and purpose

1.1 Purpose

These Pension Fund Regulations govern the extra-mandatory occupational pension for employees of employers who have concluded one or more affiliation agreements with Swisscanto 1e Collective Foundation (hereinafter the "Foundation").

1.2 Structure

The Foundation manages individual pension funds. Further details can be found in the Organisational Regulations and the corresponding affiliation agreement.

1.3 Supervision

It is overseen by the Supervisory Authority for BVG Pensions and Foundations of the Canton of Zurich (BVS).

1.4 Security fund

The Foundation is affiliated to the BVG Security Fund and funds the latter with contributions from each pension fund.

1.5 Reinsurance

The risks covered in the event of death or disability are fully reinsured with a life insurance company. The Foundation Board may amend this reinsurance or conclude collective life insurance contracts with other life insurance companies.

1.6 Legal relationships and duties

The legal relationships of the insured persons and the affiliated employers to the Foundation are governed by these Pension Fund Regulations, further regulations of the Foundation, the pension plan and the affiliation agreement of the individual pension fund. The duties of the Foundation are set out in the corresponding provisions in the pension plan.

1.7 Investments

The pension assets are invested by the Foundation on behalf of and for the account of the pension fund. The insured persons may decide how their savings capital and any special savings capital is invested based on the pension fund's specified investment strategies and within the Foundation's guidelines.

Art. 2 Affiliation with the Foundation

2.1 Affiliation agreement

An employer may become affiliated with the Foundation when both that employer and the Foundation sign an affiliation agreement, effective on the date set out in that agreement. This agreement sets out the rights and duties of both contracting parties.

2.2 Pension fund

The Foundation manages a separate pension fund, with at least one pension plan, for each affiliated employer. Each such pension fund also has a body composed of equal numbers of employee and employer representatives: the pension commission.

B General provisions

Art. 3 Insured persons and conditions for admission

3.1 Group of insured persons

All employees of an affiliated employer whose admission is provided for in the pension plan must join that employer's pension fund as soon as their employment begins. If the employer is also insured as a person to be insured, this will be stipulated in the pension plan.

3.2 Conditions for admission

The following individuals will not be admitted to the pension fund:

- a. Employees whose insured annual salary as defined in the pension plan is under CHF 5,000;
- b. Employees who are not yet 17 years of age;
- c. Employees who have already reached or exceeded the statutory retirement age;
- d. employees whose employment agreement is concluded for a maximum of three months. If an employment agreement is subsequently renewed for over three months, the employees in question will be insured from the point at which this extension was agreed. If several consecutive jobs with the same employer or periods of deployment for the same employment agency last for a total duration of over three months and this is not interrupted for a period longer than three months, the insurance cover will begin from the start of the fourth working month overall. If, however, it is agreed before the first period of employment begins that the total duration of employment or deployment will exceed three months, the cover will begin at the start of the employment relationship;
- e. employees whose principal employment is elsewhere and who already have mandatory insurance cover for their principal occupation or who are primarily self-employed;
- f. Persons who are at least 70 % disabled for the purposes of disability insurance (IV), and persons who are temporarily still covered by their previous pension institution under Art. 26A of the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pensions (BVG);
- g. employees who are not, or are not expected to be, working in Switzerland permanently and who are sufficiently insured abroad provided that they ask the Foundation to be exempted from inclusion. This exception does not apply to persons who are governed by Swiss legislation on social security by virtue of bilateral agreements and the European law to which those agreements refer.

3.3 Falling short of the admission threshold

If a person's annual salary drops below the amount set out in the pension plan as the threshold for admittance and that person is therefore no longer to be insured, they will be excluded from the pension scheme (cf. Art. 6(4)).

3.4 Voluntary insurance

The Foundation does not provide any voluntary insurance for part-time employees for the portion of their salary that they receive from other employers.

3.5 Unpaid leave

If an employee takes unpaid leave, their insurance cover may be continued in full for a maximum of six months or only with respect to the risk insurance on application by the employer subject to the obligation to pay contributions, but for no longer than 24 months. If, however, no more contributions are received, the insurance cover will continue for the first month after contributions cease to be paid. Once this period has elapsed, the provisions of para. 3 apply.

The employer will inform the Foundation of the duration of this unpaid leave and how the contributions are being funded. These contributions may be funded in accordance with the pension plan or in their entirety by either party.

The insured person must inform the Foundation as to whether they want savings and risk contributions, risk contributions only or a suspension of the contributions for the duration of the unpaid leave.

Art. 4 Medical examination and reservation of benefits

4.1 Medical examination

The Foundation may require persons who are to be insured to provide a health declaration. Based on the information in this declaration, the Foundation may require the person who is to be insured to undergo a medical examination at the Foundation's expense and for a medical certificate to be drawn up for the attention of the Foundation. The Foundation may, based on the results of this examination, apply restrictions or exclude cover for risk under Art 1H(2) BVV2.

4.2 Risk cover

If the Foundation requires a medical examination, risk cover will be provisional until completion of the examination (notification of admission with or without restrictions).

In the event of death or of incapacity to work where the cause results in disability or death before the medical examination has been carried out, the Foundation may withhold risk benefits if the cause is attributable to an illness or accident suffered by the person who is to be insured before they were admitted into the pension fund or to which they are prone as a result of previous conditions, and if the person has any existing conditions or infirmities. This applies particularly if the person to be insured does not cooperate with regard to the medical examination.

4.3 Breach of the duty of disclosure

If the person who is to be insured provides false information or conceals facts of which they were or should have been aware, the Foundation may terminate the pension contract. The decision to withhold benefits must be taken within six months of the Foundation becoming aware of the breach of duty of disclosure.

4.4 Restrictions

The Foundation may impose a health restriction on risk benefits after the medical examination has been performed, but this restriction may not last longer than five years. The period of this restriction must take account of the since expired restriction period at the previous pension institution. The benefits cover obtained by virtue of the transferred leaving benefit may not be reduced by any new health-related restriction.

In the event of death or of incapacity to work where the cause results in disability or death during the restriction period, the Foundation will continue to withhold benefits beyond the restriction period and for the remainder of life, if the incapacity to work is due to an illness included in the health-related restriction. The cover with the available savings capital (particularly the special savings capital) will be determined in the same manner as for vested benefits. If any benefits are insured and not affected by the restriction, these will normally be granted.

Art. 5 Age and retirement age

5.1 Age

Age is defined as the difference between the calendar year and the year of birth.

5.2 Retirement age

The normal retirement age corresponds to the reference age and is defined in the pension plan. Early or deferred retirement is allowed under the pension plan.

5.3 Entitlement

Persons become entitled to retirement capital on the first day of the month after they reach retirement age.

Art. 6 Beginning and end of insurance

6.1 Beginning

The insurance cover commences on the day on which the employment relationship begins.

6.2 End

The insurance cover ends on the termination of employment or if the entry threshold is no longer met (Art. 7 para. 2).

6.3 Admission

Admission to the insurance scheme is governed by the pension plan. It occurs at the earliest on the date on which the insurance requirements are met.

6.4 Extended cover

The insured person will remain insured against the risks of death and disability for one month after exiting the fund. If that individual joins a new pension fund before that month elapses, the obligation to pay benefits will fall on the new pension institution.

Art. 7 Insured annual salary

7.1 Annual salary

The annual salary corresponds to the annual salary as defined in the Swiss Federal Law on Old-age and Survivors' Insurance.

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

- a. Salary components payable only occasionally or temporarily are not included, unless stipulated otherwise in the pension plan;
- b. Payments in kind are treated as salary under OASI provisions;
- c. Family and child allowances are not included;
- d. Joining bonuses, severance pay and allowances for years of service are not included;
- e. If the annual salary is temporarily reduced as a result of illness or accident, the previously insured salary will remain valid by virtue of the coinsured dispensation from paying benefits;
- f. If the annual salary is temporarily reduced as a result of lack of employment, motherhood, fatherhood, taking care of a child, civil defence or military service, the previous annual salary will remain valid for as long as a wage replacement is paid;
- g. For professions in which the workload or the salary varies considerably, the annual salary can be determined as a fixed sum representing the average salary for the respective professional category;
- h. The annual salary is limited to ten times the upper threshold under Art. 8(1) BVG;
- i. If the insured person is a member of several pension funds known to the Foundation and the total of all their annual salaries on which old-age and survivors' insurance is payable exceeds the amount set out in h., the Foundation will reduce the salary to be insured accordingly.

7.2 Entry threshold

The entry threshold corresponds to one and a half times the abovementioned threshold under Art. 8(1) BVG. It is set out in the pension plan.

7.3 Insured annual salary

The insured annual salary is defined as the annual salary minus the entry threshold and must be at least CHF 5,000. It is defined in the pension plan. For partially disabled persons, the maximum insured annual salary will be reduced to reflect the pension entitlement in accordance with Art. 13 para. 1.

7.4 Admission during the course of the year

The annual salary is determined for the whole year. For persons who joined during the course of the year, it will be annualised.

7.5 Salary adjustments

The annual salary will be adjusted to its current level on 1 January every year, and any modifications agreed on for the current year must be taken into consideration. Where a salary is adjusted by virtue of a reconfiguration of the employment relationship (e.g. relocation, promotion or change in the level of occupation), the annual salary may also be adjusted during the calendar year in which the changes in circumstances take place. No adjustments will, however, be made for persons who are fully incapable of working or fully disabled. If an insured event occurs, any adjustment made in error will be reversed.

Art. 4 may be applied accordingly to the portion of the increase in benefits.

7.6 Salary adjustment for disability

If an insured person becomes partially disabled as defined in Art. 13, their pension will be divided into a disability (passive) portion corresponding to their level of disability, for which no salary adjustments will be made, and an active portion corresponding to their level of fitness for work, for which salary adjustments may be made in accordance with the provisions of this article.

Art. 8 Choice of investment strategies

8.1 Basic principle

The Foundation manages a separate asset investment for each insured person. It provides the appropriate investment instruments for this purpose. This investment takes place in accordance with the Investment Regulations and within the framework of the provisions on investment in Art. 49 et seq. BVV2.

The Foundation will offer a maximum of ten investment strategies with varying risk profiles per pension fund.

8.2 Investment on entry

The employer will notify the Foundation of the person who is to be insured. When leaving benefits are transferred into the Foundation and notification of this has been given, the benefits will, on the next possible business day, be invested in the low-risk strategy made available to the insured person concerned under the provisions of the pension fund and the Foundation.

The insured person will then issue investment instructions to the Foundation within the framework established by the Foundation and the pension fund and within the framework of the Investment Regulations.

8.3 Investment performance

The investment performance is based on the savings balance and the actual return of the selected investment strategy. There are no claims to a specific interest rate or a nominal value guarantee with respect to the capital invested.

8.4 Selection

The insured person may switch or change their investment strategy once a week. Any such switches will be implemented by means of disinvestment on the next possible trading day, taking account of a maximum processing period of 10 working days, and subsequent reinvestment on the following trading day.

The investment strategy will remain valid unless and until the insured person issues new instructions. The insured person may give instructions electronically via the Foundation's online portal.

8.5 Information on risks

A questionnaire is used to determine the risk tolerance of the insured person before the Foundation implements the insured person's investment instructions for the first time. Based on this risk tolerance, an appropriate investment strategy will be proposed. The Foundation will inform the insured person of the risks and costs by providing an electronic fact sheet. The insured person will confirm in the online portal or by signing a form that they have been informed of the costs and risks involved. If the insured person chooses a higher-risk investment strategy, they will be informed that the investment strategy chosen does not correspond with their risk profile.

8.6 Residence in the USA

If an insured person takes up residence in the USA and remain a member of the pension fund in spite of this relocation, their entire pension assets and all future savings amounts will be invested in the low-risk investment made available to the insured person under the provisions of the pension fund and the Foundation.

8.7 Employer contribution reserves

Employer contribution reserves are placed exclusively in low-risk investment strategies.

C Funding

Art. 9 Contributions

9.1 Beginning of the obligation to pay contributions

The employer's and the insured person's obligation to pay contributions begins on the date on which the person is admitted into the pension fund.

9.2 End of the obligation to pay contributions

The obligation to pay contributions ends:

- a. when the person leaves the pension fund;
- b. when all retirement benefits fall due;
- c. at the end of the month of the person's death; or
- d. when continued payment of the salary is terminated or the daily allowance is exhausted, unless otherwise stipulated in the pension plan, but no later than when the person reaches retirement age.

9.3 Total contribution

The total contribution comprises the following elements:

- a. savings contribution;
- b. additional contribution.

9.4 Savings contribution

The savings contributions are used to build up the savings capital. A maximum of three plans are available to choose from in each pension fund. If a choice between various savings plans is offered by a pension fund, the insured person may choose between the plans when they enter the Foundation or at the beginning of a calendar year, in accordance with the provisions of the pension plan. If 60 days elapse after the insured person has entered the pension fund without any written choice of plan being made, the savings plan with the lowest savings contributions will be selected.

9.5 Additional contribution

Additional contributions are used to fund:

- a. the risk of death and disability;
- b. contributions to the Security Fund;
- c. account and other expenses;
- d. interest on pending leaving benefits;
- e. (negative) interest in connection with pending entry to or leaving a scheme.

The amount of the additional contribution may be adjusted by the Foundation Board or the pension commission, subject to the approval of the Foundation Board, on 1 January every year to take account of any changes in circumstances.

9.6 Contribution amount

The amount of the employer's and insured person's contributions is set out in the pension plan.

9.7 Investment of the contributions

When the Foundation receives the contributions, these are invested in the investment strategy chosen by the insured person on the next possible trading day, taking account of a processing period of no more than 10 working days. If the insured person has not given the Foundation any investment instructions or if these cannot be implemented (for example due to a missing risk questionnaire), the contributions are invested in the low-risk investment strategy made available to the insured person concerned in accordance with the provisions of the pension fund and the Foundation.

9.8 Salary deductions

The employer is liable to the Foundation for the full amount of the contributions. It will deduct the corresponding portion from the insured person's salary on a monthly basis. The additional contributions and savings contributions are payable to the Foundation monthly and by the end of every year at the latest. If the employer falls into arrears, the Foundation will charge late payment interest.

The contributions will be deducted until retirement or until the insured person leaves the pension fund. In the event of lack of employment, motherhood, fatherhood, taking care of a child, military or civil defence service, the full contributions must continue to be paid unless the insured salary is reduced.

9.9 Exemption from contributions

If a period of incapacity to work last longer than the qualifying period set out in the pension plan, the obligation to pay contributions does not apply to the degree of the incapacity to work and from the date of disability in accordance with the pension entitlement (Art. 13 para. 1). In the event of partial incapacity to work and partial disability, contributions continue to be payable on the portion for which the insured person is fit for work.

9.10 Qualifying period

For the purposes of calculating the qualifying period, periods of incapacity to work are aggregated, as long as they did not take place prior to a period of total incapacity to work lasting longer than six months. No claim to be exempted from contributions will arise without a new qualifying period where the insured person previously had a claim for such an exemption and was fully fit for work for a period of no longer than six months in the interim.

Art. 10 Savings capital and special savings capital

10.1 Savings capital

Savings capital is managed for each insured person.

10.2 Basic principle

The savings capital corresponds to the current value of the investments and the capital not yet invested. There is no guarantee that its value will increase or that the capital will be preserved. Any capital not invested will not bear interest.

10.3 Building up savings capital

The following are credited to the savings capital:

- a. the savings contributions;
- b. the termination benefits brought into the pension fund from previous pension schemes;
- c. repayments in connection with the promotion of home ownership;
- d. repayments as a consequence of divorce; and
- e. settlements as a consequence of divorce; and
- f. interest and securities income.

The following are debited from the savings capital:

- a. advance withdrawals in connection with the promotion of home ownership; and
- b. settlements following divorce;
- c. interest and securities income.

10.4 Special savings capital

The following are credited to the “buying into maximum benefits” and “buying into early retirement” special capital:

- a. buyin sums from the insured person to buy into maximum benefits and for the partial purchase of abatements for early retirement;
- b. repayments in connection with the promotion of home ownership;
- c. repayments as a consequence of divorce; and
- d. interest and securities income.

The following are debited from the “purchase in maximum benefits” and “purchase for early retirement” special capital:

- a. advance withdrawals in connection with the promotion of home ownership; and
- b. settlements following divorce;
- c. interest and securities income.

10.5 Contributions in the event of disability

In the event of total disability, the savings contributions continue to be credited to the savings capital based on the insured annual salary on the occurrence of the incapacity to work until retirement age or prior death. In the event of incapacity to work not followed by disability, the savings contributions are credited for a period of up to two years, but at the longest until the termination of employment or prior death. In the event of partial disability, the savings capital will be divided into a disability (passive) portion and an active portion. The disability portion will be managed as for a fully disabled person and the active portion managed as for an insured person who is fully able to work.

10.6 Investments

he selected investment strategy and any instructions to modify it will apply correspondingly to savings and special savings capital. Investing separately in savings and special savings capital is not possible. Art. 8(1) and (2) will also apply mutatis mutandis to any special savings capital paid into the Foundation.

Art. 11 Entry benefits and buying into additional benefits

11.1 Entry benefits

Leaving benefits from previous pension institutions, including money from vested benefits or deposit accounts or vested benefits policies, must be brought into the Foundation as entry benefits unless required to be brought into another pension institution. The insured person must authorise the transfer from their previous pension institution themselves. The full amount will be credited to the savings capital on the transfer date.

If the leaving benefit paid in from the previous pension institution is higher than required in order to be purchased for full regulatory benefits, the Foundation may limit the amount paid in to that amount.

The Foundation will not accept any retirement assets under the Swiss law on occupational pensions (BVG). The statutory BVG portion must be transferred to the corresponding BVG-registered pension institution for the insured person or the disabled pensioner.

11.2 Buying into maximum benefits

An insured person who does not attain the maximum retirement benefits may, if fully able to work – in consideration of para. 17 and any crediting of the assets from previous pensions and in pillar 3a in accordance with Art. 60a BVV2 – purchase additional pension benefits prior to the occurrence of an insured event. The potential purchase sum is calculated based on the savings plan selected (age scale), and on average is a maximum of 25 % of the insured annual salary per potential year of contribution, without interest (proportionality under Art. 1E BVV2). The relevant purchase tables are available from the Foundation on request. The sum is calculated using the current insured annual salary at the moment of the purchase and, analogously to Art. 12(5), at market value. Statutory provisions remain reserved. Contributions of this nature are credited to the “Buying into maximum benefits” special savings capital.

For insured persons who already receive or have received a retirement benefit from a pension or vested benefits institution, the possible deposit is reduced by the savings assets annuitized or withdrawn upon retirement, including interest (interest at the BVG interest rate).

Purchases will be credited to the special savings capital within ten working days, after the completed and signed purchase form has been received, and subsequently invested on the next possible trading day in accordance with the investment instructions given by the insured person (Art. 8). If it should emerge in retrospect that a purchase is not or is only partially accepted by the tax authorities, the insured person will bear the risk of any market-related value fluctuations between the date of the investment and its reversal.

11.3 Buying into early retirement

If an insured person has fully purchased the pension benefits they were lacking in accordance with para. 5, they may also buy out part of the reduction for early retirement. The maximum contribution will equal the difference between the savings capital upon early retirement and the savings capital at retirement pursuant to the regulations. The buyin tables used to calculate the potential buy out amount are available from the Foundation upon request. The same parameters are used to draw up these tables as are described in Section 2.

These contributions will be credited to the insured person's individual "Buying into early retirement" special savings capital.

The maximum contribution will be reduced by the balance in pillar 3a in accordance with Art. 60A(2) BVV2 and the termination balance under Art. 60A(3) BVV2 where these amounts were not taken into account in the calculation of the purchase sum under Section 2, and by any overfunding of the maximum possible purchase sum under Section 2.

11.4 Continuing to work after buying into early retirement

As soon as the retirement capital restricted to the modelled amount and then increased by the sums paid into the "Buying into early retirement" account exceeds 105 % of the retirement capital according to the pension plan for the retirement age as per the regulations calculated on the basis of the model, the employee and the employer will no pay no further contributions, with the exception of the additional contributions under Art. 9 para. 6.

11.5 One-off contributions

The employer may make one-off contributions to buy into maximum benefits and/or buy into early retirement.

11.6 Tax deductibility

The insured person is responsible for finding out from the relevant authorities whether the voluntary contributions under Section 5 and 7 are taxdeductible.

11.7 Buy-ins in the event of partial disability

Persons with partial disability may buy in proportion to their fitness to work, provided they are fit to work for the active portion and the buy-ins do not result in an increase to their disability benefit. The maximum total of the buy-in price will be adjusted accordingly.

11.8 Restrictions on buy-ins

Buy-ins must be completed by three years before retirement at the latest.

If an insured person has bought in, they may not claim the resulting benefits as advance withdrawals within the next three years.

If advance withdrawals are made for home ownership purposes, voluntary contributions may not be made until those advance withdrawals have been repaid.

11.9 Repurchase of benefits after divorce

Insured persons required to transfer a portion of their leaving benefit to their spouse's pension institution by reason of divorce can continue to buy in as part of the leaving benefit transferred. Repurchases of benefits after divorce are exempt from all restrictions and may be carried out at any time. Persons drawing full disability pensions may not repurchase benefits in this case.

11.10 Persons moving to Switzerland from abroad

In the case of persons from abroad who have never belonged to a Swiss pension institution, their annual buy-in amount may not exceed 20 % of their insured salary for the first five years (Art. 60B(1) BVV2).

11.11 Effects

The effects of buy-ins and one-off contributions are the same as for regular entry benefits, unless the pension plan sets out a different rule concerning them.

D Benefits in retirement

Art. 12 Retirement capital

12.1 Entitlement

When the insured person or person claiming a disability pension reaches retirement age or takes early retirement, they will become entitled to their retirement capital.

12.2 Regular retirement

Regular retirement occurs on the first day of the month following the month in which the person reaches the retirement age stipulated in the BVG.

12.3 Regulatory retirement

Regulatory retirement occurs on the first day of the month following the month in which the person reaches the retirement age stipulated in the pension plan.

Regulatory retirement is the same as regular retirement, unless the pension plan stipulates otherwise.

12.4 Amount of retirement capital

The amount of the retirement capital is determined by the savings capital available upon retirement and the special savings capital (Art. 10).

12.5 Retirement benefits

The retirement benefits correspond to the market value of the savings capital and special savings capital at the time of disinvestment. Disinvestment occurs when the person's entitlement to benefits arises, once the full documentation has been received, on the next trading day, taking account of a processing period of ten working days. Any fluctuations in the market value between the beginning of the entitlement period, disinvestment and payout will not be taken into consideration.

12.6 Payout of retirement benefits

Retirement benefits are paid out into one amount.

If a lump-sum payment is only partially permitted owing to a buy-in, the Foundation will not be liable for any tax consequences of that payout.

12.7 Consent of the spouse/life partner

In the case of married insured persons or insured persons living in a registered partnership, the written consent of the spouse or registered partner is required. This signature must be certified or officialised in another manner; any exceptions are at the discretion of the office. If this consent cannot be obtained or if it is declined without a valid reason, an application to the civil court may be made.

12.8 Early retirement

An insured person may take early retirement by permanently giving up their professional activity. Early retirement is possible from the age of 58 at the earliest. Retirement before this point is possible under Art. 11(2) BVV2.

12.9 Partial retirement

An employed person may, with their employer's consent, take partial retirement from the first day of the month after they reach the age of 59. The first step in partial retirement may take place after the regulatory retirement age, provided that all requirements under Art. 19 or 21 are met. Full retirement occurs when the person reaches the age of 71 at the latest.

Partial retirement requires that the insured person's level of employment and the active portion be reduced accordingly.

Partial retirement is possible as follows:

- a. the insured salary must be reduced by at least 20% for the first partial withdrawal
- b. in the case of further partial payments, the annual salary must be reduced by at least 20% of a full-time workload
- c. partial retirement takes place in a maximum of three steps, with the last step leading to full retirement

If the annual salary is likely to permanently fall below the entry threshold, the entire retirement capital becomes due.

Once partial retirement has been taken, the residual level of employment may no longer be increased.

The entitlement to retirement benefits is dictated by the level of retirement.

With the exception of repurchases of benefits following divorce, buy-ins are no longer possible once partial retirement has been taken.

The insured person is responsible for clarifying how their partial retirement is treated for tax purposes.

12.10 Continued insurance after the regulatory retirement age

Persons who remain employed after the regulatory retirement age will continue to be insured in accordance with the pension regulations until they reach regular retirement age.

The insured person and their employer are still required to pay contributions.

12.11 Deferred retirement

If an insured person continues to be employed, with the consent of their employer, beyond regular retirement age, they can defer the date on which the retirement benefits fall due for payment and have the Foundation manage their savings capital and special savings capital in an investment vehicle until this continued period of employment comes to an end but at any rate no later than the age of 70.

No further risk contributions will be payable. From the time of regular retirement onwards, all insured benefits will lapse, with the exception of pension benefits (and subject to the lump-sum death benefit pursuant to para. 22).

If an insured person dies during the deferred retirement period, the savings capital and the special savings capital will be allocated to the beneficiary(ies) in accordance with Art. 18.

E Benefits in the event of disability

Art. 13 Disability pension

13.1 Entitlement

Insured persons who are at least 40 % disabled for Swiss disability insurance (IV) purposes will be entitled to claim a temporary disability pension if they were insured by the Foundation when the incapacity for work occurred, where the cause of that incapacity for work led to the disability. The degree of disability corresponds to the degree of disability determined by the IV.

13.2 Pension entitlement

The amount of the disability pension to which a person is entitled is determined as a percentage of a full disability pension.

- a. Where the person is 70 % disabled or over, they are entitled to a full disability pension.
- b. Where the person is between 50 % and 69 % disabled, the percentage corresponds to the percentage of disability.
- c. Where the person is under 50 % disabled, the percentage of the pension is reduced by 2.5 percentage points per percentage of disability thereunder, so a person who is 40 % disabled will be entitled to 25 % of a full disability pension.

Level of disability %	Percentage share
40 %	25.0 %
41 %	27.5 %
42 %	30.0 %
43 %	32.5 %
44 %	35.0 %
45 %	37.5 %
46 %	40.0 %
47 %	42.5 %
48 %	45.0 %
49 %	47.5 %

If the insured person is drawing a disability pension, any assets from contributions made as voluntary funding for early retirement will be paid out as a lump-sum disability benefit in accordance with the pension entitlement.

13.3 Beginning

The temporary disability pension will be paid out after the qualifying period set out in the pension plan has elapsed, but at the earliest when the continuation of salary payment ends or all claims for daily allowances under loss of earnings insurance have been exhausted. In any event, the pension will be paid out at the earliest when the DI pension payments begin.

13.4 End

The disability pension will be paid for the duration of the earning incapacity, but at most until the individual reaches retirement age or until death. If the disability pension is reduced or revoked by virtue of Art. 26a BVG, the insured person will continue to be insured under the same conditions for a period of three years.

13.5 Pension adjustment

The disability pension initially determined will be raised, lowered or revoked if the level of disability in the occupational pension changes by at least 5 percentage points following an IV revision.

13.6 Amount

The disability pension amount is set out in the pension plan.

13.7 Revisions

Disability pensioners must inform the Foundation of any IV revisions immediately so that the Foundation can adjust its benefits if required.

13.8 Reduction

Benefits may be reduced by the appropriate amount if IV reduces, withdraws or declines a benefit on the grounds that the person entitled to claim brought about their own disability or resisted one of IV's integration measures.

Art. 14 Disabled person's child's pension

14.1 Entitlement

Persons drawing a disability pension may claim a disability pension for each child who would be entitled to an orphan's pension upon their death.

14.2 Beginning/end

The disabled person's child's pension is paid out at the same time as the disability pension. It lapses when the underlying disability pension ceases, with the death of the child or when the person is no longer entitled to claim the pension for the child.

14.3 Amount

The amount of the disabled person's child's pension is set out in the pension plan. In the event of partial disability, the level of the disabled person's child's pension is determined in accordance with Art. 13 para. 1.

Art. 15 Exemption from contributions

15.1 Entitlement

Exemption from paying contributions is based on Art. 9 paras. 9 and 10 and on Art. 10 para. 5.

F Benefits in the event of death

Art. 16 Spouse's pension

16.1 Entitlement

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

16.2 One-off settlement

If a widow or a widower remarries before the age of 46, their entitlement to this pension will lapse, and a one-off settlement of three current years' annual pension will be paid out. If they remarry after the age of 46 or if the partner entitled to claim the pension enters a new life partnership analogous to marriage, the pension will be payable for life.

16.3 Beginning/end

The entitlement to a spouse's pension begins in the month in which the salary or pension of the deceased insured person is no longer paid. It lapses upon the death of the surviving spouse.

16.4 Amount

The amount of the spouse's pension is set out in the pension plan.

16.5 Paying out the spouse's pension as a lump sum

If an insured person dies before reaching retirement age, the spouse's pension due can also be drawn in the form of a lump sum, provided this is requested before the first pension payment is made. For spouses who have reached the age of 45 at the time of the death of the insured person, the one-off lump sum corresponds to the actuarial reserve calculated taking into account the age of the surviving spouse. If the spouse is aged under 45, the actuarial reserve is reduced by 3 % for each full year or year begun by which the spouse was aged under 45 on the death of the insured person. The minimum lump-sum amount, however, is equal to four years' pension payments. Any pensions already paid out will be factored in when calculating the lump sum. If this lump-sum payment is claimed, all claims pursuant to the regulations – with the exception to the claim for orphan's pensions – will be discharged.

16.6 Pension reductions

If the surviving spouse is over ten years younger than the deceased insured person, the spouse's pension will be reduced by 5 % of the full spouse's pension for each whole year or year begun by which the age difference exceeds ten years, up to a maximum of 50 %.

16.7 Divorced spouses

Surviving divorced spouses have no claim to a pension

16.8 Other partners

The entitlement to a spouse's pension arises in favour of one person only. Paying out a partner's pension to several persons is excluded. Spouses and registered partners under the Swiss Law on Partnership take priority over any other partners.

Art. 17 Partner's pension

17.1 Entitlement

Based on the same requirements and reduction provisions as for the spouse's pension, the designated partner of an insured person (different or same gender) will be entitled to a survivor's pension, where this is set out in the pension plan. The life partner may claim a survivor's pension in the same amount as a spouse's pension if:

- a. the insured person and the beneficiary are unmarried, there would have been no legal grounds to oppose their marriage (Art. 94 et seq. Swiss Civil Code) and the beneficiary was not the stepchild of the insured person;
- b. the surviving partner does not receive a widow's pension, surviving partner's pension or partner's pension from a previous pillar 2 institution due to a previous marriage or civil partnership;
- c. the partner demonstrably lived with the deceased insured person in a permanent and exclusive two-person relationship in the same household for an uninterrupted period of at least five years directly before the deceased insured person's death or at the time of death lived in the same household in a domestic partnership and is responsible for the upkeep of one or more joint children who are entitled to an orphan's pension under these regulations.

17.2 Requirements

The insured person must, while still alive, have informed the Foundation in writing of the identity of their beneficiary partner prior to the occurrence of an insured event. If this notification does not take place, no benefits will be payable. Partners of married insured persons have no entitlement to a partner's pension. The Foundation will investigate conclusively whether the requirements for being entitled to claim a life partner's pension are met.

17.3 End

The life partner's pension will end upon the marriage, entry into a new life partnership or death of the pensioner.

17.4 Lump sum instead of a pension

Upon a request from the person entitled to claim, the life partner's pension may be paid out as a lump sum. The pension can be paid out as a lump sum accordingly as per Art. 15(5). The lump-sum payment must be requested in writing before the first pension payment is claimed.

Art. 18 Orphan's pension

18.1 Entitlement

The children of a deceased insured person may claim an orphan's pension if the pension plan so provides; foster children may claim this pension only if the deceased insured person was responsible for their upkeep.

18.2 Beginning/end

The entitlement arises upon the death of the insured person, but at the earliest when the continued payment of salary ends. It lapses when the pension entitlement ceases, upon the child's death or when the child reaches the age defined in the pension plan.

18.3 Special cases

Orphan's pensions will continue to be paid out after the child reaches the age defined in the pension plan but no later than until the age of 25

- a. to children still in education with no primary professional occupation; and
- b. to disabled children who are disabled when they reach the age of 18 until they become fit for work, but no longer than until the age of 25.

18.4 Amount

The orphan's pension amount is set out in the pension plan.

Art. 19 Lump-sum death benefit

19.1 Entitlement

If an insured person or a person drawing a disability pension dies, their survivors may claim a lump-sum death benefit. The survivors are eligible in the following order of priority regardless of rights of succession:

- a. the surviving spouse; where there is none,
- b. natural persons who were supported to a significant degree by the deceased insured person at the time of the latter's death, or the person who cohabited with the deceased insured person for an uninterrupted period of five years prior to the latter's death or who was responsible for the upkeep of one or more joint children; where there are none,
- c. the children; where there are none,
- d. the parents; where there are none,
- e. the siblings; where there are none,
- f. the remaining legal heirs, to the exclusion of the community.

Potential beneficiaries under b. will not be taken into consideration unless the insured person during their lifetime notified the Foundation in writing of the existence of those potential beneficiaries under b. If this was not carried out, there will be no entitlement to any lump-sum death benefit.

19.2 Amount of the lump-sum death benefit

The lump-sum death benefit corresponds to the savings capital in existence at the time of death. The lump-sum death benefit will be reduced by the present value of all pensions and settlements triggered by the death.

19.3 Additional lump-sum death benefit from special savings capital

The "Buying into maximum benefits" and "Buying into early retirement" special savings capital will be paid out as an additional lump-sum death benefit for all groups of persons. This additional lump-sum death benefit will be reduced by the present value of all pensions and settlements triggered by the death insofar as this is not covered or not fully covered by para. 2.

19.4 Payout of the lump-sum death benefit

Disinvestment occurs when the person's entitlement to benefits arises, upon the next possible trading day, taking account of a processing period of a maximum of ten working days. If the notification of death is not received by the Foundation in this respect, disinvestment will occur on the next possible trading day once all documentation and all payment information have been received by the Foundation, taking account of a processing period of ten working days. Any fluctuations in market value between the date of death and the date of divestment are taken into account. Fluctuations in market value between the time of divestment and the time of payout are not taken into account.

19.5 Declaration

The insured person may, during their lifetime, inform the Foundation in writing of which of several persons from a group of persons entitled to claim may claim this benefit and determine the portions of the lump-sum death benefit to which they are entitled. If no such declaration is made, the benefit will be allocated on a per capita basis.

In justified cases and where it serves the purpose of the pension better, the insured person may alter the order of priority of the persons entitled to claim under c. to e. above. If the insured person wishes to make use of this right, they must inform the Foundation during their lifetime in writing and giving reasons.

The material criterion for paying out the benefit to the person entitled to it will in each case be the relationship with the insured person at the time of the latter's death. The decision on whether a change to the potential beneficiaries is permissible must be made by the Foundation.

19.6 Additional lump-sum death benefit in accordance with the pension plan

An additional lump-sum death benefit may be stipulated in the pension plan. The amount of this additional lump-sum death benefit and the group of insured persons are set out in the pension plan. This additional lump-sum death benefit will be reduced by the present value of all pensions and settlements triggered by the death insofar as this is not covered or not fully covered by para. 2 and/or 3.

G Termination benefits

Art. 20 Due date of termination benefit

20.1 Due date

If the pension relationship is terminated before an insured event occurs, the insured person will leave the pension fund at the end of the last day for which there is an obligation to pay their salary, and leaving benefits will be payable.

20.2 Payout of leaving benefits

Disinvestment will occur once all documents and information have been received for the payout to take place, on the next possible trading day, taking account of a maximum processing period of ten working days. Any fluctuations in the market value between the start of the entitlement and the divestment are taken into account. Fluctuations in the market value between divestment and payout are not taken into account.

20.3 Late payment interest

If the Foundation fails to pay out the leaving benefits after disinvestment within 30 days of receiving the necessary payment instructions, late payment interest will be payable following this period.

20.4 Priority of retirement benefits

If the insured person leaves within five years before reaching retirement age, there will be no entitlement to a benefit; instead, an early retirement pension will be payable, unless the insured person resumes work and the leaving benefit can be transferred to a new pension institution, or the person can demonstrate they have registered for unemployment benefit.

Art. 21 Termination benefit amount

21.1 Method of calculation

Leaving benefits are calculated in accordance with Art. 19A of the Swiss Federal Law on Vesting in Pension Plans (FZG). The leaving benefit corresponds to the effective value of the savings capital and special savings capital available in accordance with the selected investment strategy.

Art. 22 Using termination benefits

22.1 New pension institution

The termination benefit is transferred to the new employer's pension institution.

Before leaving, the insured person must inform the Foundation of the new pension institution to which the leaving benefit is to be transferred.

22.2 Vested benefits account/policy

Insured persons who do not join a new pension institution must inform the Foundation whether they would prefer to receive the pension cover in the form of a vested benefits policy or a vested benefits account. They must give the Foundation the necessary information to allow their pension assets to be transferred.

22.3 Duty to notify

If the Foundation does not receive this information within six months of the person leaving the pension scheme, the leaving benefit will be transferred to the Substitute Occupational Benefit Foundation (Stiftung Auffangeinrichtung). In the meantime, the assets will remain invested under the selected investment strategy. The selected strategy may be changed if necessary. The insured person's right to change the form in which they receive pension cover at any time remains reserved.

22.4 Cash payment

If so requested by the person departing, the termination benefit will be paid in cash if:

- a. the person is leaving Switzerland permanently, although the provisions of Art. 25F FZG apply notwithstanding; or
- b. the person takes up self-employment and is no longer required to have a mandatory occupational pension; or
- c. the termination benefit is less than the insured person's annual contribution.

The cash payment may not be made if the insured person is departing Switzerland permanently and lives in Liechtenstein.

22.5 Spouse's signature

If the leaving insured person is married or in a registered partnership, cash payments are permissible only with the written approval of the spouse. The Foundation may require that the spouse's signature be notarised.

Art. 23 Repayment of the termination benefit

23.1 Duty to make a repayment

If the Foundation has to pay survivors' or disability benefits after it has transferred the termination benefit, the termination benefit must be repaid to the Foundation to the extent that this is necessary to pay the survivors' or disability benefits.

23.2 Reduction

If no such repayment is made, the benefits will be reduced by the corresponding amount.

H Divorce

Art. 24 Basic principles

24.1 Basic principle

On the basis of a court judgement, the entitlement to an occupational pension acquired during the marriage and until the point at which divorce proceedings were brought will be settled after the divorce.

24.2 Jurisdiction of Swiss courts

The Swiss courts will have sole jurisdiction over the pension equalisation of assets held by a Swiss occupational pension institution.

24.3 Receiving funds from a pension equalisation

The pension entitlements awarded to an insured person by reason of divorce are treated like a transferred termination benefit.

24.4 Calculation and payout

The calculation and payout of assets from a pension equalisation are effected analogously with Art. 12(5) or Art. 20(2).

24.5 Buy-back

The liable spouse may repurchase benefits as part of the leaving benefit transferred.

24.6 Entitlements to child pensions

Any child disability pensions payable at the moment divorce proceedings are brought will remain unaffected by the pension settlement following divorce. If a child disability pension already paid out is replaced by an orphan's pension at the moment divorce proceedings are brought, any reductions in the underlying disability pension owing to pension equalisation upon divorce will not be taken into account when determining the amount of the orphan's pension.

Art. 25 Divorce of an insured person

25.1 Reduction

If a portion of the termination benefit of an insured person is, by reason of a court judgement, to be transferred to the pension institution or vested benefit institution of the divorced spouse, any special savings capital and then any savings capital will be reduced first.

If one person retires during divorce proceedings, the portion of the leaving benefit to be transferred will be reduced in accordance with Art. 19g FZV.

Art. 26 Divorce of a (partially) disabled person

26.1 Transfer of a portion of the hypothetical leaving benefit

If a portion of the hypothetical leaving benefit of a person drawing a disability pension who has not reached retirement age is, by reason of a court judgement, to be transferred to the pension or vested benefit institution of the divorced spouse, any special savings capital and then any savings capital will first be reduced.

26.2 Hypothetical leaving benefit

The hypothetical leaving benefit represents the amount that could be claimed in the event of reactivation.

26.3 Reduction

In the case of partial disability, any special savings capital managed for the active part will be reduced first, followed by the savings capital managed for the active part. If these assets are insufficient, the hypothetical leaving benefit for the disability portion will be reduced for the residual amount.

If a person drawing a disability pension reaches regulatory retirement age during divorce proceedings, the portion of the leaving benefit to be transferred will be reduced in accordance with Art. 19g FZV.

26.4 Reductions for coordinated disability pensions

The hypothetical leaving benefit of a person drawing a disability pension whose pension is reduced as a result of being payable concurrently with benefits under accident or military insurance may be used for pension equalisation only if that disability pension would not be reduced if there were no entitlement to child disability pensions.

I Financing property ownership

Art. 27 Advance withdrawal or pledge to finance residential property

27.1 Advance withdrawal or pledge

An insured person may withdraw their termination benefit in advance up to three years before reaching retirement age in order to use their occupational pension's assets in a home ownership assistance programme. They may pledge their leaving benefit or entitlement to pension benefits as collateral for the same purpose.

27.2 Use

The assets from an occupational pension may be used to finance the ownership of property for the insured person's own use:

- a. for the purchase and construction of property (sole ownership, co-ownership such as commonhold ownership, joint ownership with the spouse, independent and permanent right to build);
- b. for the contractual and voluntary repayment of mortgages. The payment of mortgage debt interest is excluded;
- c. for the purchase of share certificates in a housing cooperative or the purchase of shares in a tenantpublic limited company. The regulations of the housing cooperative must stipulate that the pension monies used to purchase share certificates must, if the person leaves the cooperative, either be transferred to another housing cooperative or another residential property developer with which the person occupies a residence themselves, or transferred to an occupational pension institution. Share certificates and similar securities must be deposited with the pension institution until they have been repaid, until an insured event occurs, or until the leaving benefit is paid out in cash.

"Own use" is defined as the insured person's use in their home or their conventional place of residence in Switzerland and abroad.

Permitted properties are flats and single-family houses. The assets of the occupational pension may be used for only one property at any one time. Holiday homes and second homes may not be financed in this manner.

The assets of the occupational pension may not be used for the purchase of undeveloped land or to finance the regular maintenance of residential property.

A restriction on sale will be entered in the Land Registry to protect the purpose of the pension. The insured person will be required to repay the advance withdrawal to the Foundation if they sell their home. The Foundation will notify the Land Registry when the advance withdrawal is paid out.

27.3 Minimum amount

The minimum amount for advance withdrawals is CHF 20,000. The basis for calculation is the market value analogously to Art. 12(5). Withdrawals may be made once every five years.

If share certificates in housing cooperatives or similar interests are acquired or if vested benefits policies and assets are used on a vested benefits account, this minimum amount will not apply.

27.4 Maximum amount

The insured person may, while aged 50 or under, withdraw or pledge as collateral an amount not exceeding their leaving benefit. If aged 50 or over, the insured person may claim only the termination benefit that they could have claimed at the age of 49, increased by repayments made after the age of 50 and reduced by the amount that has been used after the age of 50 for home ownership on the basis of advance withdrawals or pledge realisations, or half the difference between the termination benefit at the time of withdrawal and the termination benefit already used for home ownership at this date. The higher of these latter two amounts will apply.

27.5 Duty to provide information

The insured person may enquire in writing about the pension assets at their disposal for home ownership and the reduction in benefits associated with advance withdrawals or pledges as collateral. The Foundation will make the insured person aware of the possibility of risk cover for the pension gap thereby arising and on the tax liability.

27.6 Documents

If the insured person makes an advance withdrawal or a pledge as collateral, they must submit all documentation necessary to meet legal requirements substantiating the purchase or construction of a home, an interest in a home or the repayment of a mortgage. In the case of married insured persons or insured persons living in a registered partnership, the written consent of the spouse or registered partner is also required. The Foundation may require that the spouse's signature be notarised.

27.7 Payout of an advance withdrawal

The Foundation will pay out advance withdrawals within six months at the latest after the insured person has submitted all documents to justify their entitlement and paid any fees as set out in the cost regulations. The procedure for disinvestment is covered in Art. 20(2).

During a shortfall in cover, the Foundation may limit the time and amounts of pledges and advance withdrawals for the repayment of mortgages, or even decline them entirely.

Provided the insured person agrees, the amount will be paid out directly to the seller, constructor, lender or housing cooperative etc. Advance withdrawals may not be transferred to the insured person.

27.8 Voluntary repayment

An insured person may repay an advance withdrawal or a portion thereof at any point before they become entitled to draw their retirement pension (minimum repayment amount CHF 10,000).

27.9 Repayment obligation

If the home is sold or rights to it are granted that are financially equivalent to a sale, the advance withdrawal must be repaid by the insured person. This duty to repay lapses if the insured person has reached retirement age. If no pension benefits are payable upon the death of the insured person, the advance withdrawal must be repaid by the heirs.

If the home is sold, the duty to repay is restricted to the proceeds of the sale. The proceeds are defined as the sale price minus any debts secured via mortgage and the duties imposed on the purchaser by law.

27.10 Effects

An advance withdrawal or a pledge as collateral will bring about a reduction in the savings capital or special savings capital. The pension benefits during retirement will be reduced in accordance with the technical principles of the Foundation. Death or disability benefits will be reduced if they are contingent upon a projected retirement capital.

With regard to the consequences of realising a pledge, a distinction must be drawn between pledging the leaving benefit and pledging the pension benefits.

If the leaving benefit is pledged, the insured person will lose the pledged leaving benefit. This has the same effects as an advance withdrawal. In particular, the insured person's pension benefits during their retirement will be reduced.

If the pension benefits are pledged, the insured person will lose their pledged pension or lump sum. However, pledges may not be realised until a pension falls due.

27.11 Taxation

The amount withdrawn in advance must be taxed as a lump sum from the pension at the moment of withdrawal. It will be taxed in accordance with the applicable tax provisions, typically separately from the rest of the person's income.

If the advance withdrawal is wholly or partially repaid, the insured person may write to the responsible cantonal authority to request that the tax they paid on withdrawal be repaid to them without interest. The right to claim back taxes paid will lapse three years after the advance withdrawal is paid back.

The Foundation will submit a form to the Federal Tax Administration attesting that the advance withdrawal has been paid back.

J Further provisions on benefits

Art. 28 Coordination of pension benefits

28.1 Overcompensation

The benefits under these Pension Regulations are paid out in addition to payments from other Swiss and foreign occupational or social security benefits. The combination of these benefits may not, however, result in the person entitled to claim them receiving an unfair advantage.

28.2 Benefit reductions

To avoid an undue advantage, the benefits under these regulations will be reduced, if combined with other eligible income, they exceed 90 % of the most recent annual salary before the occurrence of the insured event. Eligible income is defined as:

- a. OASI/DI benefits;
- b. Accident insurance benefits;
- c. Military insurance benefits;
- d. Benefits from Swiss and foreign social security and pension institutions;
- e. Benefits from social security (sick pay or accident daily allowance) for which the employer or a foundation acting in its place has to pay at least 50 % of the premiums;
- f. Income of the surviving partner and the orphans taken together; and
- g. A portion of the pension allocated to the other spouse as part of a divorce.

The earned or replacement income obtained or reasonably still obtainable by disabled persons is also eligible. When determining this reasonably still obtainable earned income, the disability earnings as per the DI decision will be taken into consideration.

Any lump sum will be converted into pensions of an actuarially equivalent value.

Benefits from private insurance that the insured person has funded personally are not counted as eligible income.

Persons entitled to draw benefits must give the Foundation details of all their eligible income.

28.3 Pension reduction in old age

The retirement capital that supersedes a disability pension when the person reaches retirement age is coordinated in the same manner as that previous disability pension, provided that benefits are still being paid from accident or military insurance. A hypothetical conversion rate of 5.0 % is applied.

28.4 Duty to pay in advance

The Foundation does not make any advance payments as defined in Art. 70 of the Swiss Federal Law on the General Part of Social Security Law (ATSG), Art. 22 para. 2 and Art. 26 para. 4 BVG.

28.5 Temporary continued insurance

During temporary continued insurance and while entitlement to benefits is maintained under Art. 26a BVG, the Foundation will reduce the disability pension in accordance with the reduced level of disability of the insured person, although to no greater extent than that reduction is compensated for by the additional income of the insured person.

28.6 Eligibility

Child's and orphan's OASI/IV pensions are fully eligible. Compensation for helplessness and impairment, gratification benefits, settlements and similar benefits are not eligible.

28.7 Benefit reduction with accident insurance or military insurance

The Foundation is not required to compensate for denials of or reductions in benefits from accident or military insurance if they have denied or reduced the benefits pursuant to Art. 21 ATSG, Art. 37 or Art. 39 UVG or Art. 65 or Art. 66 MVG.

28.8 Adjustments

The Foundation may review the conditions and extent of a reduction at any time and adjust its benefits if the situation changes materially.

28.9 Duty of assignment

Persons entitled to disability or survivor's benefits must assign their entitlements against liable third parties to the Foundation, up to the amount of the latter's duty to pay benefits. In this regard, the Foundation will have a right of recourse against the liable third parties.

28.10 Misconduct

If other insurance providers reduce or deny benefits as a result of misconduct, the unreduced benefits will be used as a basis for calculating the overcompensation.

28.11 Additional reductions

The Foundation may reduce its benefits by a corresponding amount if the OASI/IV reduces, withdraws or denies a benefit on the grounds that the person entitled to claim it was responsible for their death or disability through gross culpability or has resisted one of the IV integration measures. If the benefits from accident or military insurance are reduced, the Foundation may also reduce its benefits.

Art. 29 Assignment, pledge and offsetting

29.1 Assignment/pledge

Entitlement to benefits cannot be pledged or assigned before it has fallen due. Art. 27 applies notwithstanding.

29.2 Offsetting

The entitlement to benefits may be offset against claims that the employer has assigned to the Foundation only where they are based on contributions in accordance with the regulations that were not deducted from the insured person's salary.

Art. 30 Inflation adjustments of current pensions

30.1 Pension adjustment

The Foundation Board will examine annually whether current pensions should be adjusted for inflation, taking the Foundation's financial resources into account.

30.2 Annual accounts

The Foundation comments on decisions in accordance with para. 1 in its annual accounts or its annual report.

Art. 31 Common provisions

31.1 Payout method

The basis for calculation is the market value at the time of disinvestment in each case, with Art. 12(4) applying analogously.

All benefits will be paid out exclusively via bank transfer to a bank or post office account held in the name of the person entitled to claim the benefits.

Pensions are paid out in advance in monthly instalments.

31.2 Lapsed entitlements to pensions

If the entitlement to a pension lapses, the pension will be paid in full for the current month.

31.3 Limitation period

Entitlement to the right giving rise to a pension are not bound by a limitation period, as long as the insured person had not left the Foundation at the time of the insurance event. Claims to periodical contributions and benefits will lapse after five years and other claims after ten years. Articles 129–142 of the Swiss Code of Obligations apply.

31.4 Death benefits in the event of inheritance

Death benefits will accrue to a survivor entitled to claim them even if they have waived their rights in the succession.

31.5 Settlement instead of a pension

The Foundation may pay out a lump sum instead of a pension if the spouse's or life partner's pension is under 6 % and the orphan's pension is under 2 % of the minimum retirement pension of the OASI.

31.6 BVG retirement assets

The Foundation will not accept any retirement assets under the Swiss law on occupational pensions (BVG). In the event of a divorce, the statutory BVG portion must be transferred to the corresponding BVG-registered pension institution for the insured person or the disabled pensioner.

31.7 Place of performance

The Foundation will meet its obligations (the payment of pension benefits) in the Swiss place of residence of the insured person, or, if there is no such place of residence, by transfer into a bank in Switzerland or abroad.

31.8 Registered partnership

Registered partnerships under the Swiss Federal Law on Registered Partnerships between Same-Sex Partners (PartG) are treated the same as for marriages. Accordingly, all provisions of these regulations pertaining to spouses apply equally to insured persons living in registered partnerships.

If a registered partnership is dissolved by a court, the regulatory provisions on divorce will apply accordingly.

Art. 32 Gaps in the regulations and disputes

32.1 Version

The German version of these regulations is authoritative.

32.2 Gaps

The Foundation Board will issue a provision in all individual cases that corresponds to the Foundation's purpose and the law where these regulations contain no provisions in that regard.

32.3 Disputes and place of jurisdiction

Any disputes on the interpretation or application of these regulations will be settled by the competent court. The place of jurisdiction will be the defendant's Swiss registered office or place of residence or the Swiss office of the company at which the insured person was employed.

Art. 33 Dissolution of an affiliation agreement

33.1 Duty to notify

If an affiliated employer discontinues trading in whole or in part, the employer must inform the Foundation immediately.

33.2 Portfolio of pensioners

All pending and current disability and survivor's pensions will, in the event of the dissolution of an affiliation agreement, be transferred to the new pension institution.

33.3 Disinvestment

If disinvestment from investment strategies is necessary for the transfer to the new pension institution, this will take place on the first possible trading day after the end of the affiliation agreement, taking account of a processing period of no more than 10 working days. Any fluctuations in market value between the end of the contract and the divestment are taken into account. Fluctuations between divestment and payout are not taken into account.

33.4 Interest

No interest is paid on the savings capital or special savings capital in the period between the end of the contract and the actual transfer to the new pension institution.

Art. 34 Partial liquidation

The requirements for a partial liquidation and its procedure are set out in separate regulations. The current regulations on partial liquidations are available online.

K Organisation, administration and supervision

Art. 35 Foundation bodies

35.1 Foundation Board

The most senior body in the Foundation is the Foundation Board. It is composed of equal proportions of employer representatives and employee representatives. External representatives may also be members. It is constituted in accordance with the valid organisational regulations.

35.2 Pension commission

The affiliates will elect their own pension commission, composed half of employer representatives and half of employee representatives from the company in question. The pension commission represents the interests of the pension fund in dealings with the Foundation Board and determines the pension plans.

35.3 Statutory auditors

The statutory auditors are an auditing body that carries out an annual audit under Art. 52C BVG. The statutory auditors issue a written report of their audits.

35.4 Accredited pension actuary

The Foundation Board will periodically have the Foundation assessed by a licensed expert in occupational pensions, once every three years as a minimum.

35.5 Organisational regulations

The Foundation Board will issue “organisational regulations”, in which the activities and expertise of the persons and bodies responsible for advising and administering the Foundation are set out.

Art. 36 Management office and financial year

36.1 Management office

Daily business will be handled by an office under the supervision of the Foundation Board.

36.2 Financial year

The annual accounts are closed on 31 December every year. Accounting is performed in accordance with the statutory provisions.

Art. 37 Duty to provide information and disclose information

37.1 Duty to disclose information

The insured person and their survivors must truthfully and without delay provide the Foundation with information about their circumstances relevant to the insurance and the calculation of benefits, and about any changes, and submit the requested documents and evidence at their own expense.

This will include but not be limited to the following:

- a. notification by the insured person of all pension relationships and the annual salaries insured thereunder, where the total of all their OASI annual salaries exceeds the maximum insurable annual salary under BVG;
- b. cases of disability and changes to the level of disability;
- c. death of an insured person or a person entitled to claim;

- d. discontinuation of entitlement to a pension for children;
- e. the emergence, presence or cessation of maintenance duties;
- f. changes in the civil status of an insured person or a person entitled to claim;
- g. if a new life partnership similar to marriage is entered into, where one person is drawing a partner's pension under these Pension Regulations;
- h. if a duty or an entitlement to pension equalisation arises by reason of a divorce;
- i. a new pension institution owing to change of employment;
- j. move of an insured person to the USA.

Persons entitled to claim must submit all documents required in order to make those claims (proof of age, death certificate, medical check-up, proof of duty to pay maintenance, etc.). The Foundation may request additional information, obtain that information itself or make enquiries at its own expense, particularly for defending against unjustified claims based on withheld, inaccurate or withheld information.

The Foundation may not be held liable for any consequences arising as a result of failing to observe the duties to notify or provide information, or from untrue information.

37.2 Claiming back

The Foundation Board has the right to discontinue benefits or claim back benefits unjustly paid, plus interest, if an insured person or a survivor breaches their duty to provide information or if that information was not truthful.

37.3 Duty to provide information

The Foundation will inform the insured person annually via a pension document about the benefits claimable, the insured annual salary, the contributions and the status of the savings capital and the special savings capital. The information will be provided for information purposes. In the event of doubt, the benefits under these Pension Regulations and the associated pension plan will be decisive.

If the employer falls into arrears with the funding of the pension, the Foundation will inform the members of the pension commission and the insured person. It will also inform the supervisory authority under Art. 58a(1) BVV2.

37.4 Information upon request

Upon request, the insured person may obtain information on how the Foundation is organised and funded, and well as on the composition of the Foundation Board and the pension commission.

The current Pension Fund Regulations are available online. The pension plan is not available online and is instead handed out by the employer to all insured persons.

The annual statement of accounts and annual report must be issued to the insured person upon request, as must information on capital returns, actuarial risk, administrative costs and the level of cover. Insured persons may submit suggestions, proposals and requests concerning the Foundation to the Foundation Board at any time.

Art. 38 Confidentiality and data protection

38.1 Duty of confidentiality

The members of the Foundation Board and the Pension Commission and the individuals entrusted with administration and supervision are bound to observe the strictest confidentiality with regard to the information that comes into their possession by virtue of their work for the Foundation. This duty extends, in particular, to the personal, employment-contract and financial circumstances of insured persons, their relatives and the employer.

38.2 End of term of office

The duty of confidentiality still applies after the above persons have left their service or have concluded their activities.

38.3 Forwarding data to the insurance company

The Foundation may forward all the data required in order to verify applications, process contracts and settle benefit claims (e.g. name, date of birth, medical data, insurance decisions, etc.) to the insurance company with which the insured person is also insured/reinsured against death and disability, for processing. The insured person is required to support the Foundation and the insurance company in their efforts to obtain information and documents.

L Transitional and final provisions

Art. 39 Entry into effect and amendments

39.1 Entry into effect

These Pension Fund Regulations enter into effect on 1st of January 2023. It replaces the previous versions of the present regulations.

39.2 Transitional provisions

Scope and duration of risk benefits (disability and death) are governed by the provisions of the regulations and the pension plan on the occurrence of the incapacity to work whose cause led to disability or death. The insured salary on the occurrence of the incapacity to work is used to calculate the benefits. The calculation of overcompensation in accordance with the respective current provisions of the regulations remains reserved.

39.3 Ongoing disability pensions as at 01 January 2022

In the case of disability pensioners whose IV pension entitlement arose prior to 1 January 2022, the pension entitlement under Art. 13 para. 1 amended on 1 January 2022 in the event of a change in the level of disability will apply only if IV also applies the amended pension entitlement and adjusts its pension accordingly. The pension fund will decide based on the DI, unless the DI's manner of proceedings is manifestly wrong.

The management of savings capital under Art. 10 para. 5 will then also be based on the amended pension entitlement.

In the case of disability pensioners whose entitlement to the IV pension arose prior to 1 January 2022 and who were aged 55 or over on 1 January 2022, the former law will apply regarding pension scale.

39.4 Amendment of the Pension Fund Regulations

These Pension Fund Regulations may be amended by the Foundation Board at any time in line with statutory provisions and the purpose of the Foundation. Entitlements acquired by insured persons and pension recipients are guaranteed in all cases. The Foundation Board will submit the Pension Fund Regulations together with any amendments to the responsible supervisory body for information purposes.

39.5 Amendments to the pension plan

The Pension Commission may amend, supplement or terminate the pension plan at any time in line with the Pension Fund Regulations, subject to the consent of the Foundation Board, the provisions of the deed of foundation and the law – while ensuring that all rights acquired are guaranteed. In the event of a benefit increase as a result of a change in the pension plan, Art. 4 may be applied mutatis mutandis to the portion of the increase in benefits.

Glattbrugg, December 4, 2023

Swisscanto 1e Collective Foundation

The Foundation Board

M Abbreviations and terms

AHVG

Swiss Federal Act of 20 December 1946 on Old-Age and Survivors Insurance, including implementation provisions.

Affiliation agreement

Contract between the Foundation and an employer on the basis of which the Employer transfers the execution of its employee pensions to the Foundation.

Incapacity for work

Incapacity for work is the full or partial inability to perform reasonable work in the person's previous profession or area of responsibility owing to an impairment of their physical, mental or psychological health. If this continues for an extended period, reasonable work in another profession or area of responsibility will also be considered (Art. 6 ATSG).

ATSG

Swiss Federal Act of 6 October 2000 on General Aspects of Social Security Law.

BVG

Swiss Federal Act of 25 June 1982 on Occupational Old Age, Survivors', and Invalidity Pension Provision, including implementation provisions.

BVV2

Ordinance of 18 April 1984 on Occupational Old Age, Survivors' and Invalidity Pension Provision.

Earning incapacity

Earning incapacity is the full or partial loss of earning opportunities on the relevant balanced labour market owing to an impairment to physical, mental or psychological health that persists after reasonable treatment and integration (Art. 7 ATSG).

FZG

Swiss Federal Act of 17 December 1993 on the Vesting of Occupational Old Age, Survivors' and Invalidity Benefits (Vested Benefits Act).

FZV

Ordinance of 3 October 1994 on the Vesting of Occupational Old Age, Survivors' and Invalidity Benefits.

Disability

Disability is unemployability that is expected to be permanent or of long duration (Art. 8(1) ATSG).

IV

Swiss Federal Disability Insurance.

Illness

Illness is defined as any impairment to physical, mental or psychological health that does not occur as the result of an accident and for which a medical examination or treatment is required or that results in incapacity for work.

Birth defects are defined as illnesses existing from birth (Art. 3 ATSG).

MVG

Swiss Federal Act of 20 September 1949 on Military Insurance, including implementation provisions.

Projected interest rate

Interest rate used to extrapolate the insured person's savings capital until they reach retirement age. The projected interest rate is not guaranteed.

Pensioner

Person who is entitled to a retirement, disability or survivor's pension from the Foundation (including a disabled person during the deferment of retirement or such a person who is fully or partially overcompensated).

Accident

An accident is a sudden, unintentional harmful impact on the human body of an unusual external factor that results in an impairment to physical, mental or psychological health or in death (Art. 4 ATSG).

UVG

Swiss Federal Act of 20 March 1981 on Accident Insurance, including implementation provisions.

Insured persons

All male and female employees or self-employed persons admitted to the Foundation.

Late-payment interest rate

Interest rate under Art. 7 FZV.

Pension Commission

Board of a pension fund (similar to the Foundation Board) where the employer and employees are equally represented.

Pension plan

Supplementary provisions to the Pension Fund Regulations, pertaining specifically to one pension fund. The amounts of contributions and payments, definitions of salary, retirement ages, buy-in options etc. are defined in the pension plan.

Pension fund

Pension and accounting unit created within the foundation for each affiliated employer.

WEFV

Ordinance of 3 October 1994 on the Promotion of Home Ownership using Occupational Pension Benefits.