

# Regulations on Provisions and Reserves

## Swisscanto 1e Collective Foundation

31. September 2022

**swisscanto**

Swisscanto  
1e Collective Foundation

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# A Purpose and Scope

## **Art. 1 General Provisions**

### **1.1 Legal Basis**

Based on Art. 65b BVG, Art. 48 and Art. 48e BVV 2, and Art. 3 para. 9 of the Organizational Regulations, the Board of Trustees hereby issues these Regulations.

### **1.2 Purpose**

These Regulations govern the provisions regarding the establishment of provisions and reserves within the Foundation.

## **Art. 2 Structure of the Foundation**

### **2.1 Structure**

Within the Foundation, a separate pension plan (Vorsorgewerk) is maintained for each affiliated employer.

### **2.2 Principle**

Provisions and reserves may be established both at the level of the Foundation and at the level of the individual pension plan.

# B Establishment of Provisions

## Art. 3 Definitions and General Provisions

### 3.1 Provisions and Reserves in the Financial Statements

These Regulations govern the establishment of the following items, which are reported as liabilities in the Foundation's financial statements:

- a. Pension capital of active insured persons,
- b. Pension capital of pension beneficiaries,
- c. Non-technical provisions, and
- d. Free funds.

### 3.2 Pension Capital of Active Insured Persons

The pension capital of active insured persons corresponds to the total of their savings capital in accordance with Art. 10 of the General Framework Regulations. Pension capital of active insured persons is maintained exclusively at the level of the individual pension plan.

### 3.3 Pension Capital of Pension Beneficiaries

Upon retirement of an active insured person, the retirement capital is always paid out. The risks of disability and death are covered by congruent reinsurance under a regulatory coverage arrangement. Therefore, only the savings capital of current disability pension beneficiaries is recognized in the balance sheet. Savings capital of current disability pension beneficiaries is maintained exclusively at the level of the individual pension plan.

### 3.4 Non-technical provisions

Non-technical provisions comprise provisions that are not directly related to the fulfilment of pension obligations, such as provisions in connection with litigation risks or to cover administrative and other operating costs of the Foundation that are not financed by contributions from affiliated employers. This item must not be used to create or accept discretionary effects or smoothing effects.

Non-technical provisions are established by resolution of the Board of Trustees and are limited to a maximum of CHF 500,000.

Non-technical provisions may be established both at the level of the Foundation and at the level of the individual pension plan and must be disclosed in the notes to the financial statements.

### 3.5 Funding Ratio and Underfunding

The provisions of Art. 44 BVV 2 are authoritative for determining the funding ratio of the Foundation and the individual pension plans, as well as for identifying any underfunding.

### 3.6 Free Funds

Free funds are reported if the available pension assets exceed the savings capital of active insured persons and disability pension beneficiaries. Free funds may be established both at the level of the Foundation and at the level of the individual pension plan. When deciding on the use of free funds, the financial capacity of the Foundation or the respective pension plan must be taken into account, and the principle of equal treatment of beneficiaries must be ensured.

### **3.7 Consistency**

The principle of consistency must be observed in the establishment and release of provisions and reserves.

## **Art. 4 Participation in Surpluses from Insurance Contracts**

### **4.1 Principle**

Any surplus participations arising from insurance contracts that are not required to cover the Foundation's costs shall be allocated to the insured persons in proportion to their savings capital.

# D Entry into Force

## **Art. 5 Approval and Entry into Force**

### **5.1 Entry into Force**

These Regulations on Provisions and Reserves enter into force on 31 December 2022 and replace the version dated 31 December 2019.

### **5.2 Amendments**

These Regulations may be amended or revoked at any time by resolution of the Board of Trustees.

### **5.3 Version**

If these Regulations are translated into other languages, the German version shall prevail for the purpose of interpretation.

Glattbrugg, 20. December 2022

Swisscanto 1e Collective Foundation

The Board of Trustees