



# Interest and pension participation model

## Interest model, valid from January 1, 2025

The Board of Trustees has established guidelines for the interest rates applicable to the retirement assets of active insureds to offer the affiliated pension funds the highest possible level of transparency and predictability.

Interest is dependent on the level of the target fluctuation reserve, and hence on the coverage ratio.

Level	Forecast coverage ratio (CR) as at December 31, XX	Interest (Mandatory element and extra-mandatory benefits)
7	≥ 120.00%	4.50% + 50% x (CR - 120%)
6	≥ 117.50%	3.25% + 25% x (CR - 115%)
5	≥ 115.00%	3.25%
4	≥ 112.00%	2.75%
3	≥ 108.00%	2.25%
2	≥ 105.00%	2.00%
1	≥ 100.00%	BVG/OPA minimum interest rate (currently 1.25%)
0	< 100.00%	max. BVG/OPA interest rate

The BVG minimum interest rate is set by the Federal Council in the fall of the previous year.

**Example:**

With an estimated coverage ratio of 112% as of December 31, retirement assets earn interest at a rate of 2.75%; with an estimated coverage ratio of 119%, they earn interest at a rate of 4.25%.

**Disclaimer**

The Board of Trustees expressly reserves the right to deviate from this mechanism or to adapt it, in particular if:

- changes emerge in the structure of insured persons
- extreme situations arise in the financial markets
- the law, case law, or supervision restrict the scope for action.

The Board of Trustees

Winterthur, September 17, 2025

# Inflation adjustment and pension participation, valid from January 1, 2025

When determining inflation compensation and, if applicable, other retirement pension participation, the Board of Trustees bases its decision on the coverage ratio. A maximum budget is set, which depends on the financial resources of the Foundation. Whether a pensioner is entitled to inflation compensation is

determined on the basis of the national consumer price index. Any outstanding claims are reviewed again in subsequent years. The available budget is used in such a way as to ensure the greatest possible fairness between pensioner groups.

Level	Forecast coverage ratio (CR) as at December 31, XX	Budget inflation adjustment and pension participation
7	$\geq 120.00\%$	$1.25\% + 50\% \times (CR - 120\%)$
6	$\geq 117.50\%$	$\text{max. } 25\% \times (CR - 115\%)$
0-5	$< 117.50\%$	0%

## Example:

With an estimated coverage ratio of 122% as of December 31, a budget of 2.25% of the pensioners' pension capital is available for inflation adjustment and pension participation.

## Disclaimer

The Board of Trustees expressly reserves the right to deviate from this mechanism or to adapt it, in particular if:

- the financial resources of the foundation change
- extreme situations arise in the financial markets
- the law, case law, or supervision restrict the scope for action.

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Winterthur, September 17, 2025