

# Q&A – Partial liquidation procedure 2021 for your collective foundation

Question	Answer
<b>General Information</b>	
What is the basis for a partial liquidation?	<p>The legal basis for the partial liquidation procedure can be found in Art. 53b and 53d OPA. How this is implemented for a specific foundation is set forth in the regulations of each occupational benefits institution. Your collective foundation has done so in the “Regulations on the Partial Liquidation of a Collective Foundation”, which were issued by the Board of Trustees and approved by the supervisory authority.</p> <p>The legislator thereby aims to ensure equal treatment of all insureds and pensioners.</p>
What are the prerequisites for the partial liquidation?	<p>According to the “Partial Liquidation of Collective Foundations” regulations, the prerequisites are fulfilled if:</p> <ul style="list-style-type: none"> <li>• in the period between the balance sheet date (December 31) and December 30 of the following year,</li> <li>• at least one affiliation contract is partially or fully terminated and</li> <li>• the funding ratio (pursuant to Art. 44 BVV 2/OPP 2) of the collective foundation is higher than 110 % or lower than 98 % on the reference date for the partial liquidation.</li> </ul> <p>This is based on the financial statements or annual report for the year 2021 prepared in accordance with Swiss GAAP FER 26.</p>
Who decides to carry out a partial liquidation procedure?	<p>If the review confirms that the prerequisites for a partial liquidation of the collective foundation have been fulfilled, the Board of Trustees decides to carry out a partial liquidation.</p>
What forms the basis for determining the financial assets to be distributed?	<p>The amount of the unallocated assets, fluctuation reserve, and technical provisions is calculated on the basis of the financial statements prepared as of December 31 each year in accordance with Swiss GAAP FER 26.</p>
What funding ratio is used?	<p>The funding ratio pursuant to Art. 44 BVV 2/OPP 2 as calculated on the balance sheet date of December 31, 2021 is used.</p> <p>The relevant funding ratio is determined each year on December 31 based on the collective foundation’s annual commercial balance sheet prepared in accordance with Swiss GAAP FER 26.</p> <p>If you would like to know more about funding ratios, our <a href="#">“Funding ratio”</a> blog contains useful information.</p>
Does the partial liquidation have an impact on the collective foundation’s coverage ratio?	<p>While additional funds are likely to be transferred out of the collective foundation due to the partial liquidation, certain liabilities on the part of the collective foundation will no longer apply.</p> <p>The distribution plan is structured so that, in addition to treating the departing group equally, it also takes into consideration the interests of the insureds and pensioners who remain with the collective foundation.</p> <p>The financial situation and the performance of the collective foundation remain unchanged for the occupational benefits funds remaining in the collective foundation.</p>

Question	Answer
Which different stakeholder groups are identified for the purposes of the partial liquidation procedure?	<p>A distinction is made between the following two “stakeholder groups” for the purposes of the partial liquidation:</p> <ul style="list-style-type: none"> <li>• <b>Occupational benefits funds remaining</b> in the collective foundation (including new affiliations as of January 1, 2022) and their pensioners</li> <li>• <b>Collective insureds departing</b> from the collective foundation between December 31, 2021 and December 30, 2022, and their pensioners, that have collectively switched to a new occupational benefits institution</li> </ul>
Why are insured persons who left the collective foundation individually not listed as a “stakeholder group”?	<p>According to the “Regulations on the Partial Liquidation of a Collective Foundation”, persons who departed from the collective foundation between December 31, 2021 and December 30, 2022 as individuals (e.g. following a change of job) rather than as the result of the termination of an affiliation contract have no entitlement to the collective foundation’s financial assets. This group of persons is therefore not listed as a “stakeholder group”.</p>
<b>Information for Stakeholder Groups Remaining in the Collective Foundation</b>	
How was information about the partial liquidation provided?	<p>Each occupational benefits fund of the affiliated companies has an occupational benefits fund commission (OBFC). The collective foundation informs all occupational benefits fund commissions (OBFC) of the following:</p> <ul style="list-style-type: none"> <li>• date of issue of distribution plan by the Board of Trustees,</li> <li>• information on the resulting consequences,</li> <li>• next steps.</li> </ul> <p>The occupational benefits fund commission (OBFC) was asked to forward the information received to the insured persons within 10 days.</p> <p>Any persons in the occupational benefits fund who were drawing an old age or survivor’s pension paid directly by the collective foundation were informed personally of the partial liquidation by separate letter.</p> <p>The partial liquidation procedure in 2021 was also publicized in the Swiss Commercial Gazette (Schweizerisches Handelsamtsblatt) on the following dates:</p> <ul style="list-style-type: none"> <li>• AXA Foundation for Supplementary Benefits: 16./17.05.2023</li> <li>• Columna Collective Foundation Group Invest: 25.05.2023</li> <li>• AXA LPP Foundation Suisse Romande: 09.06.2023</li> </ul>
Why were letters also sent to the occupational benefits fund commissions of companies that became affiliated after January 1, 2022?	<p>It is important for the occupational benefits funds remaining in the collective foundation to retain the attractiveness of their existing pension solutions through the partial liquidation procedure (continuing interests). Because of these continuing interests, all affiliated occupational benefits funds (including affiliations after January 1, 2022) are kept informed about the partial liquidation procedure in 2021.</p>
What are the consequences for the collective foundation and the affiliated occupational benefits funds?	<p>The partial liquidation has no direct effect on the ongoing operations of the collective foundation and its occupational benefits funds.</p> <p>The pro rata entitlement to fluctuation reserves and technical provisions enjoyed by the occupational benefits funds remaining in the collective foundation has not changed and is not individually allocated. New affiliations to the collective foundation since January 1, 2022 have no entitlement arising from the partial liquidation. They are, however, kept informed about the partial liquidation procedure because of their continuing interest.</p>

Question	Answer
What are the consequences for insureds and pensioners?	<p>The present partial liquidation procedure has no direct impact on the occupational benefits situation of the insureds and pensioners who remain in the collective foundation.</p> <p>Current pensions continue to be paid regularly.</p> <p>The pro rata entitlement to fluctuation reserves and technical provisions enjoyed by the occupational benefits funds remaining in the collective foundation has not changed and is not individually allocated.</p>
<b>Information for Stakeholder Groups That Have Withdrawn from the Collective Foundation</b>	
How was information about the partial liquidation provided?	<p>Each occupational benefits fund of the affiliated companies has an occupational benefits fund commission (OBFC). The collective foundation informs all affected occupational benefits fund commissions (OBFC) of the following:</p> <ul style="list-style-type: none"> <li>• date of issue of distribution plan by the Board of Trustees,</li> <li>• amount of occupational benefits fund's collective, pro rata entitlement as determined in the distribution plan,</li> <li>• next steps.</li> </ul> <p>The occupational benefits fund commission (OBFC) was asked to forward the information received to the insured persons in its occupational benefits fund within 10 days.</p> <p>Any persons in the occupational benefits fund who were drawing an old age or survivor's pension paid directly by the collective foundation were informed personally of the partial liquidation by separate letter.</p> <p>The partial liquidation procedure in 2021 was also publicized in the Swiss Commercial Gazette (Schweizerisches Handelsamtsblatt) on the following dates:</p> <ul style="list-style-type: none"> <li>• AXA Foundation for Supplementary Benefits: 16./17.05.2023</li> <li>• Columna Collective Foundation Group Invest: 25.05.2023</li> <li>• AXA LPP Foundation Suisse Romande: 09.06.2023</li> </ul>
What is meant by "collective withdrawal"?	<p>Departing collective insureds are the insureds and pensioners of an occupational benefits institution who leave the collective foundation following the termination of an affiliation contract and switch jointly (collectively) to a new occupational benefits institution.</p> <p>This does not include individual withdrawals by insureds following a change of employer or job.</p>
What happens to the "collective transfer"?	<p>The funds due to the departing occupational benefits fund will be transferred to the new occupational benefits institution as an overall amount with no individual allocation. The new occupational benefits institution or occupational benefits fund commission will decide how they are used.</p>

Question	Answer
What are the consequences for insureds and pensioners?	<p>For insureds and pensioners who have collectively switched to a new occupational benefits institution following the termination of an affiliation contract, the partial liquidation procedure has no direct effect on their current occupational benefits situation and current pensions.</p> <p>Current pensions continue to be paid regularly.</p> <p>The pro rata entitlement to the collective foundation's financial assets as determined in the distribution plan follows the departing collective insureds. The occupational benefits fund commission was informed in writing of the amount of entitlement determined for its occupational benefits fund. This refers to a collective entitlement, which is transferred to the new occupational benefits institution as a single amount once the partial liquidation procedure has been completed.</p>
<b>Distribution Plan</b>	
What is it?	The distribution plan contains the definitive figures for the collective foundation on December 31, 2021 (reference date for the partial liquidation) which are used for calculating entitlements, together with a list of the collective entitlements of the occupational benefits fund concerned (departing stakeholder groups) to these assets.
Who was informed of the entitlements calculated?	All occupational benefits fund commissions (OBFC) and pensioners were informed in writing about the partial liquidation procedure and the next steps. The occupational benefits fund commissions (OBFC) were asked to forward the information contained in the letter to the insured persons within 10 days of receipt.
Which of the collective foundation's assets are being distributed?	<p>The following financial assets of the collective foundation are taken into account for the partial liquidation:</p> <ul style="list-style-type: none"> <li>• fluctuation reserves,</li> <li>• technical provisions.</li> </ul>
What is meant by the "weighting" of the fluctuation reserve?	Occupational benefits funds with a contract period of up to and including 10 years are entitled to a share of the fluctuation reserve on a proportional ("weighted") basis only. This takes account of the percentage change in the fluctuation reserve's share of the actuarially necessary pension capital (fluctuation reserve/(retirement assets + pensioners' pension capital + tech. provisions)) of the foundation during the contract period. If the change in share is negative, no fluctuation reserve is paid out.
<b>Contact Persons for Inquiries</b>	
Who can I contact?	<p>If you have any questions about the partial liquidation procedure or wish to make use of your right of inspection, please contact us as follows:</p> <ul style="list-style-type: none"> <li>• AXA Foundation for Supplementary Benefits: +41 52 218 97 86</li> <li>• Columna Collective Foundation Group Invest: +41 52 218 97 87</li> <li>• AXA LPP Foundation Suisse Romande: +41 21 341 38 58</li> </ul>

Question	Answer
<b>Right of Inspection and Objection</b>	
What are my options if I wish to know more about the partial liquidation procedure?	All members of the occupational benefits fund commissions, all insureds, and all pensioners of the collective foundation and of the employers have the option of consulting the key documents relating to the partial liquidation (by prior arrangement and subject to the data protection provisions) and, if necessary, of lodging an objection to the Board of Trustees' decision in writing, stating the grounds underlying their objection.
What are the relevant deadlines?	Inspection and objections (if any) must take place by the following deadlines: <ul style="list-style-type: none"> <li>• AXA Foundation for Supplementary Benefits: 10.06.2023</li> <li>• Columna Foundation Group Invest: 20.06.2023</li> <li>• AXA LPP Foundation Suisse Romande: 30.06.2023</li> </ul>
Why are there different deadlines?	The reason for this is that several AXA collective foundations carried out a partial liquidation procedure in 2021. The information letters regarding the individual collective foundations were sent out at different times. This has resulted in different deadlines.
Where can I see which collective foundation I am insured by?	You can find the name of your collective foundation on your personal pension certificate.
<b>Right of Inspection</b>	
What is a right of inspection and how do I go about it?	<p>The right of inspection offers an opportunity to inspect the key documents relating to the partial liquidation procedure (e.g. collective foundation's annual financial statements, Board of Trustees' decision, distribution plan statement, or statement from the pension actuary).</p> <p>An appointment to inspect must be made in advance:</p> <ul style="list-style-type: none"> <li>• AXA Foundation for Supplementary Benefits: +41 52 218 97 86,</li> <li>• Columna Collective Foundation Group Invest: +41 52 218 97 87,</li> <li>• AXA LPP Foundation Suisse Romande: +41 21 341 38 58.</li> </ul> <p>The following deadlines apply:</p> <ul style="list-style-type: none"> <li>• AXA Foundation for Supplementary Benefits: 10.06.2023,</li> <li>• Columna Foundation Group Invest: 20.06.2023,</li> <li>• AXA LPP Foundation Suisse Romande: 30.06.2023.</li> </ul> <p>No documents (or copies thereof) will be handed out.</p>
Where can I exercise the right of inspection?	<p>The documents may be inspected by prior appointment at the collective foundation's head office in Winterthur or Lausanne.</p> <p>Please bring the following documents for identification purposes:</p> <ul style="list-style-type: none"> <li>• Passport/ID card or driving license,</li> <li>• AHV number or social insurance number.</li> </ul>

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<b>Right of Objection</b>	
What is a right of objection?	If questions or ambiguities cannot be fully clarified during an inspection in person, there is the option of objecting to the decision of the Board of Trustees in writing.
Who may exercise the right of objection?	All insured persons and pensioners of the collective foundation have the right to object in writing to the decision of the Board of Trustees.
How should an objection be made?	<p>The objection must be submitted in writing, stating the reason.</p> <p>The following points must be included in the letter:</p> <ul style="list-style-type: none"> <li>• contract no.,</li> <li>• social security no.,</li> <li>• reference “Objection to partial liquidation of foundation”,</li> <li>• reason.</li> </ul> <p>Written objections must be sent to the following address:</p> <p>AXA P.O. Box 300 8401 Winterthur</p>
When must an objection be submitted by?	<p>Written objections to the decision of the Board of Trustees may be lodged by the following deadlines:</p> <ul style="list-style-type: none"> <li>• AXA Foundation for Supplementary Benefits: 10.06.2023,</li> <li>• Columna Foundation Group Invest: 20.06.2023,</li> <li>• AXA LPP Foundation Suisse Romande: 30.06.2023.</li> </ul>
Why are there different deadlines?	<p>This is because partial liquidation procedures are being carried out for several different AXA collective foundations.</p> <p>The information letters for the individual collective foundations were sent out at different times.</p>

<b>Glossary</b>	
Continuing interest	This refers to the interest that the collective insureds remaining in the occupational benefits institution have in being able to continue their pension provision under the previous arrangements. A partial liquidation procedure must take proper account of this principle.
Equal treatment requirement	In the context of a partial liquidation, the principle of equal treatment is expressly enshrined in Art. 53d para. 1 OPA. This primarily means equal treatment of the collective insureds, whether they are remaining in or departing from the occupational benefits institution. This equal treatment principle must be taken into account when drawing up the distribution plan.

## Glossary

Occupational benefits commission	The employers and employees of each occupational benefits fund elect an occupational benefits commission. This is composed of an equal number of employer and employee representatives from the respective company. The occupational benefits commission is appointed to manage the occupational benefits fund, which means that it decides – within the framework of the foundation regulations – on the benefit types, financing, and use of the financial assets of the occupational benefits fund, and on the partial or total liquidation of the occupational benefits fund.
Collective foundation	A collective foundation is a legally independent institution with which companies can affiliate to provide occupational pensions for their employees. This affiliation results in synergies for all affiliated companies.
Technical provisions	Technical provisions are financial reserves for all additional payment obligations that are foreseeable today, or that the pension fund expects in the future. For example, because actuarial reserves for current pensions have to be revalued and increased due to falling interest rates, or because the retirement assets saved by the insureds by the date of retirement are insufficient to fund the pension – resulting in retirement losses.
Occupational benefits fund	Each affiliated employer sets up its own occupational benefits fund within the collective foundation (pension fund).
Fluctuation reserve	Collective foundations must build financial reserves (fluctuation reserves) in order to compensate for any fluctuations in the investments. These are used to protect the actuarially necessary pension capital.

## Blog Articles Explaining Specific Topics

Funding ratio of pension funds	<a href="#">Funding ratio of pension funds: key points   AXA</a>
Mandatory and voluntary OPA benefits	<a href="#">Mandatory vs. voluntary OPA benefits: key points   AXA</a>
Collective foundations in a nutshell	<a href="#">Collective foundations in a nutshell   AXA</a>
Key facts about pension fund investment strategies	<a href="#">Key facts about pension fund investment strategies   AXA</a>

***We will be happy to help if you have any further questions about the partial liquidation of your collective foundation.***

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