



Occupational benefits

## **Regulations for the BVG/LPP basic occupational benefits insurance**

Columna Collective Foundation - Client Invest, Winterthur

# Table of contents

	<b>Page 4</b>
<b>General provisions</b>	
Art. 1 Objective	4
Art. 2 Occupational benefits fund	4
Art. 3 Contents of the occupational benefits fund regulations	4
Art. 4 Registered partnership	4
Art. 5 Definition of age	4
Art. 6 Enrollment in the occupational benefits insurance plan	4
Art. 7 Retirement	5
Art. 8 Pension coverage	6
Art. 9 Obligations of the insured	7
Art. 10 Foundation's duty to provide information	7
Art. 11 Vested benefits brought into the fund	7
<b>Salary definitions</b>	<b>8</b>
Art. 12 Annual salary	8
Art. 13 Pensionable salary	8
Art. 14 Pensionable salary in the event of disability	8
<b>Occupational benefits</b>	<b>9</b>
Art. 15 Overview of benefits	9
Art. 16 Retirement assets	9
Art. 17 Prospective retirement assets at the reference age	10
<b>Retirement benefits</b>	
Art. 18 Retirement pension	10
Art. 19 Pensioner's child's pension	10
<b>Disability benefits</b>	
Art. 20 General provisions	11
Art. 21 Contribution waiver	12
Art. 22 Disability pension	12
Art. 23 Disabled person's child's pension	13
Art. 24 Change in the level of disability	13
<b>Death benefits</b>	
Art. 25 General provisions	13
Art. 26 Partner's pension	13
Art. 27 Orphan's pension	14
Art. 28 Lump sum payable at death	15
Art. 29 Annuity certain	15
<b>General provisions on occupational benefits</b>	
Art. 30 Guarantee Fund	15
Art. 31 Repayment of benefits received wrongfully	15
Art. 32 Cost-of-living adjustments	15
Art. 33 Coordination with accident and military insurance	15
Art. 34 Correlation with other insurance benefits	16
Art. 35 Subrogation and assignment	16
Art. 36 Payment of occupational benefits	16
Art. 37 Lump-sum payment	17

<b>Withdrawal</b>	<b>Page 18</b>
Art. 38	Withdrawal from the occupational benefits fund 18
Art. 39	Amount of the vested benefits 18
Art. 40	Use of the vested benefits 18
Art. 41	Temporary extended coverage 19
Art. 42	Change in the number of working hours 19
<b>Contributions</b>	<b>19</b>
Art. 43	Obligation to contribute 19
Art. 44	Contribution amounts 19
Art. 45	Purchase of additional benefits 20
<b>Other provisions</b>	<b>21</b>
Art. 46	Tax treatment 21
Art. 47	Promotion of home ownership 21
Art. 48	Assignment and pledging 21
Art. 49	Divorce 21
Art. 50	Retirement benefits transfer to a 1e occupational benefits institution 22
Art. 51	Children eligible for a pension 22
Art. 52	Continuation of pension provision 22
Art. 53	Personal data 23
Art. 54	Measures to remedy a cover shortage 23
Art. 55	Amendment of the occupational benefits fund regulations 23
Art. 56	Occupational benefits plan 23
Art. 57	Transfer of vested benefits if the contract is rescinded in part or in full 24
Art. 58	Place of performance 24
Art. 59	Administration of justice 24
Art. 60	Entry into force 24
Art. 61	General transitional provisions 24
<b>Specific transitional provisions relating to the 7th disability insurance revision</b>	
Art. 62	Transfer of disability pensions being drawn on January 1, 2022, to the new pension system 25

# General provisions

## Objective

### Art. 1

1. The objective of this occupational benefits fund is to protect the insured and their surviving dependants from the economic consequences of loss of earnings due to old age, disability or death.
2. The occupational benefits fund regulations shall guarantee at all times the minimum benefits provided for by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans of June 25, 1982 (BVG/LPP).
3. The Foundation has been entered in the register for occupational pension providers and is subject to the statutory supervisory authority. The Foundation's organization is set out in the deed of foundation and the by-laws.
4. Self-employed persons who are insured with their staff are deemed to have the same status as employees and, in addition, are subject to the same obligations as employers.
5. For the purposes of these regulations, insured Board of Directors members are deemed to have the same status as employees.

## Occupational benefits fund

### Art. 2

The Foundation manages a separate occupational benefits fund for each employer/each corporate group.

Collective occupational benefits funds are operated for companies which affiliate to a corporate group solution approved by the Foundation.

## Contents of the occupational benefits fund regulations

### Art. 3

1. The relationship between the Foundation and the insured or beneficiaries is governed by these occupational benefits fund regulations and, as far as the type and amount of occupational benefits and their financing are concerned, by a separate occupational benefits plan for each occupational benefits fund or group insurance plan. The occupational benefits fund can offer up to 3 occupational benefits plans for the

insured of every group insurance plan. This plan is an integral part of the occupational benefits fund regulations.

2. If there are separate occupational benefits plans for the basic BVG/LPP insurance and any extra-mandatory insurance, the provisions of these regulations regarding the minimum BVG/LPP benefits shall only apply to the BVG/LPP basic insurance.
3. If the occupational benefits fund or the Foundation is liquidated in part or in full, the provisions of the regulations on the partial and total liquidation of occupational benefits funds and the regulations on the partial liquidation of a collective foundation shall apply.
4. Any claim to surplus participation under the group insurance contract shall be governed by the separate surplus participation regulations.

## Registered partnership

### Art. 4

Under the Federal Law on the Registration of Partnerships for Same-Sex Couples, registered partnerships have the same status as marriages and partners have the same status as spouses.

## Definition of age

### Art. 5

The final age for enrollment with the occupational benefits fund as well as the calculation of the contributions, the retirement credits, and the minimum vested benefits due, is determined by the difference between the current calendar year and the insured's year of birth.

## Enrollment in the occupational benefits insurance plan

### Art. 6

1. All employees belonging to the group of insured mentioned in the occupational benefits plan shall be enrolled with the occupational benefits fund. The employer must register all persons to be insured by name.
2. Enrollment in the occupational benefits fund takes place when the conditions of Art. 6.1 are fulfilled. Provided the pension plan contains no provisions to the contrary, it takes place at the earliest on

- January 1 of the year following the insured's 17th birthday for the risks of disability and death
- January 1 of the year following the insured's 24th birthday for retirement benefits.

3. Individuals who are partially disabled on enrollment in the occupational benefits fund shall be insured only for that part of the salary that corresponds to the remaining earning capacity. Any thresholds that may be referred to in the occupational benefits plan will be reduced accordingly. Persons with a disability level of 70% or more are not accepted into the occupational benefits insurance plan.

4. Persons who must provisionally continue the insurance in accordance with Art. 26a BVG/LPP can enroll in the occupational benefits fund at the earliest 3 years after the disability insurer has reduced or suspended the pension.

## Retirement

### Art. 7

#### 1. Reference age

Entitlement to retirement benefits arises when the reference age is reached. The reference age is governed by the occupational benefits plan.

The insured may submit a request to draw retirement benefits in full or in part or after the reference age in accordance with Arts. 7.2 – 7.5. The insured is regarded to have reached the reference age to the extent that retirement benefits are drawn.

#### 2. Early withdrawal of retirement benefits

An insured person can withdraw retirement benefits early in full or in part at the earliest after having reached age 58. In special cases as determined by the Federal Council, retirement benefits can be withdrawn earlier. The occupational benefits plan may set out a higher age for early withdrawal.

Early withdrawal of the complete benefits presupposes the termination of the employment relationship.

A partial early withdrawal is possible only with a commensurate reduction in the annual salary. The provisions of Art. 7.5 apply.

#### 3. Continuation of occupational benefits insurance beyond the reference age

When the employment relationship is continued beyond the reference age, the insured may

request that occupational benefits insurance be continued, with contributions applying, in full or in part until the employment relationship ends, but no later than the time when the insured reaches age 70.

When the insured reaches the AHV reference age, the benefits from the partner's and orphan's pensions as defined in the occupational benefits plan for the period "after reaching the reference age if the occupational benefits insurance is continued" apply. The disability benefits, the death lump sum exceeding the retirement assets, and the annuity certain are no longer insured.

The partial continuation of occupational benefits insurance is only possible by reducing the annual salary. The scope of the occupational benefits insurance that will be continued is based on the remaining annual salary. The provisions of Art. 7.5 apply for a partial withdrawal of retirement benefits.

The entitlement to retirement benefits arises at the insured person's request, but no later than at the end of the employment relationship or when the insured reaches age 70. The provisions of Art. 7.5 apply for a partial withdrawal of retirement benefits.

#### 4. Deferral of retirement benefits beyond the reference age

The insured may defer the drawing of their retirement benefits until the end of their employment relationship, but no later than any point where the annual salary falls below the triggering threshold as set out in the occupational benefits plan or beyond the insured's 70th birthday. When retirement benefits are deferred, savings contributions are no longer levied.

When the insured reaches the AHV reference age, the benefits from the partner's and orphan's pensions as defined in the occupational benefits plan for the period "after reaching the reference age if the retirement benefits are deferred" apply. Disability benefits, death lump sums exceeding the retirement assets, and the annuity certain are no longer insured.

#### 5. Partial withdrawal of retirement benefit (partial retirement)

The insured may draw the retirement benefit in the form of a pension (annuity) staggered in up to 3 steps.

A withdrawal in the form of a lump-sum is possible in up to 3 steps. This also applies if the salary paid by a single employer is insured with multiple pension institutions. One step includes all lump-sum withdrawals of retirement benefits in any one calendar year.

A maximum of 3 steps are permitted. The last step triggers full retirement.

The following applies for each partial withdrawal of the retirement benefit:

- The proportion of the retirement benefit drawn may not exceed the proportion of the reduction of the annual salary.
- The first partial withdrawal must amount to at least 20% of the retirement benefit.
- The partial withdrawal is made from the mandatory portion of retirement assets and any extra-mandatory portion of retirement assets in equal proportion to their share of total retirement assets.
- Continuation of the insurance of the current pensionable salary pursuant to Art. 13.4 is not possible.
- If a partial withdrawal results in the remaining annual salary no longer satisfying the conditions for enrollment as set out in the occupational benefits plan, full retirement is triggered.

See Art. 46 for the tax treatment of a partial withdrawal.

## **Pension coverage**

### **Art. 8**

1. The coverage is valid worldwide. Coverage shall commence on the date when the conditions for enrollment pursuant to Art. 6 are fulfilled and shall end on the date when the insured withdraws from the occupational benefits fund.

### **2. Definite coverage**

The coverage is definite and unrestricted for

- the minimum benefits pursuant to the BVG/LPP
- the benefits acquired with the vested benefits brought into the occupational benefits fund, provided that these were insured without proviso under the previous pension fund.

Coverage for the remaining benefits shall be definite and unrestricted, provided that the insured is fully fit for work when coverage commences and the occupational benefits under the regulations do not exceed certain limits deter-

mined by the Foundation. If this is not the case, these benefits shall only be provisionally insured at first.

An insured is not considered fully fit for work under these pension provisions if, on commencement of the coverage, he/she

- is forced to remain partially or fully absent from work for reasons of health
- receives daily benefits as a result of an illness or accident
- is enrolled in a government disability insurance plan
- draws a pension on account of complete or partial disability, or
- can no longer be fully employed in a position appropriate to his/her training and abilities for reasons of health.

### **3. Provisional insurance coverage**

The Foundation will inform the insured if certain benefits can only be insured provisionally, and request that the insured provides additional information on the state of his/her health. If necessary, the Foundation may request additional information from a physician or require a medical examination.

If a pension claim arises while coverage is provisional,

- the benefits acquired with the vested benefits brought into the fund and which were subject to a proviso with the previous pension fund shall be paid, taking the proviso into account
- the remaining provisionally insured benefits shall not be paid if the pension claim arises from circumstances (accident, illness, physical defect) which occurred before the provisional coverage commenced.

Based on the documents submitted, a proviso for the risks of disability and death for reasons relating to health can be applied. The proviso is valid for a maximum of 5 years. A proviso instituted by a previous occupational benefits institution can remain in effect, in which case any period that has expired so far is applied.

If the insured person refuses to participate in any parts of the medical examination, the benefits for the risks of disability and death will be reduced to the minimum defined in statutory provisions.

If incapacity for work or death should occur during the term of the proviso, the benefit restriction continues to apply even after the term of the proviso ends. The benefit restriction applies

in particular also to disability cases relating to incapacity for work that sets in during the term of the proviso.

The Foundation must inform the insured person in writing whether pension coverage is granted as usual or with a proviso.

4. **In the event of an increase in occupational benefits**, the provisions of Art. 8.2 – 8.3 shall apply mutatis mutandis to the benefits which must be insured additionally.

5. **Breach of disclosure obligation**

If the insured person provides incorrect information about their state of health, the Foundation has the right to reduce its insured benefits retroactively to the start of the pension or to refuse them altogether. The statutory minimum benefits including the pension coverage acquired through the vested benefits brought into the fund are reserved. The Foundation informs the insured person accordingly in writing within 3 months after learning of the breach of disclosure obligation.

**Obligations of the insured**

Art. 9

1. If the insured belongs to more than one pension fund and the sum of his/her salaries and income subject to AHV/AVS contributions is more than 10 times the upper BVG/LPP limit, he/she must inform the Foundation of all his/her pension fund memberships and the salary and income insured with each fund.
2. The insured must notify the employer (for the attention of the Foundation) within 30 days of any changes in his/her marital status or if he/she becomes liable or ceases to be liable to support dependants.
3. On termination of the employment relationship, the person withdrawing from the Foundation must make the information required for the transfer of vested benefits available.
4. Recipients of disability or survivors' benefits must notify the Foundation of any creditable income (e.g. domestic or foreign social benefits, benefits from other pension funds, income from continued employment).

Furthermore, they must report all occurrences that affect the pension relationship. These include in particular

- Change in address
- Change in bank account
- Change in marital status
- Change in entitlement to pensions vis-à-vis social insurance providers (AHV, disability, accident, or military insurance, foreign social insurance schemes)
- Resumption of work or improvement in the capacity for work
- Birth and adoption of children
- Completion or discontinuation of a training program by children entitled to a pension
- Death of a child entitled to a pension.

The survivors must inform the Foundation immediately if a pension recipient dies.

**Foundation's duty to provide information**

Art. 10

1. On enrollment as well as following any changes in benefits, but at least once a year, the insured person receives a pension fund certificate with the currently valid information on his occupational benefits. The insured person may, at any time, obtain their pension fund certificate and further information on their pension provision via the myAXA online portal.
2. On request, the Foundation shall provide the insured with additional information on the status of his/her pension coverage and the business activities of the Foundation.
3. Every insured may request the Foundation to provide him/her with all his/her personal data administered by it and to correct the data if necessary.

**Vested benefits brought into the fund**

Art. 11

The insured is obliged to transfer all vested benefits from previous pension funds or vested benefits institutions to the Foundation.

Vested benefits from the Liechtenstein system of occupational benefits insurance may be deposited.

The vested benefits brought into the fund shall be used to increase the retirement assets.

# Salary definitions

## Annual salary

Art. 12

1. The annual salary is the last known salary subject to AHV contributions adjusted in consideration of any agreed changes for the current year.

Unless specified otherwise in the occupational benefits plan, salary components that are paid on a merely occasional basis are not taken into consideration. Within the scope of these regulations such amounts include

- one-off, or unforeseeable, or irregular special remuneration, overtime compensation, allowances for work on Sundays and public holidays, shift allowances, gratuities, and bonuses,
  - gifts for anniversary service years, unless they are paid more frequently than every 5 years.
2. The effective annual salary that applies to the pension is defined in the pension plan, in compliance with the statutory minimum provisions.
  3. The employer must notify the Foundation of the annual salary by January 1 or on the enrollment date. Salary changes during the year are taken into account from the date of the change and result in a modified annual salary in accordance with Art. 12.1.
  4. If the insured has worked for the employer for less than one year (e.g. temporary staff), the annual salary shall be deemed to be the salary which the insured would have received if he/she had worked for an entire year.
  5. The annual salary for an insured whose number of working hours and income vary greatly is deemed to be the average annual salary for the profession concerned. Where applicable, these rates are set out in the occupational benefits plan.
  6. An insured who also works for one or more other employers may not insure the income received from these external employers under these regulations.

## Pensionable salary

Art. 13

1. The pensionable salary is defined in the occupational benefits plan. If necessary, the

Foundation brings any coordination deductions and minimum and maximum amounts set out in the occupational benefits plan into line with federal provisions. Subject to Art. 13.4, the total pensionable salary with all current pension funds may exceed neither the income subject to AHV contributions nor 10 times the upper BVG threshold.

2. If an insured person's annual salary temporarily decreases due to illness, accident, unemployment, maternity/paternity leave, the arrival of an adopted child, or similar reasons, the previous pensionable salary shall continue to be insured for as long as the employer is obliged to continue payment of salary in accordance with Art. 324a of the Swiss Code of Obligations (SCO), or during the period of maternity leave in accordance with Art. 329f SCO, or paternity leave in accordance with Art. 329g SCO, or leave of care in accordance with Art. 329i SCO, or adoption leave in accordance with Art. 329j SCO. The insured person may, however, request a reduction.
3. The occupational benefits plan may stipulate that any coordination deductions and minimum and maximum amounts for part-time employees shall be determined in accordance with their actual employment status.
4. If an insured's salary reduces by not more than half after they have reached age 58 without their having claimed partial retirement benefits early as defined in Art. 7.2, the insured may request to continue the insurance with the current insured salary until they reach the reference age. The continuation of the current pensionable salary assumes that the insured is fully fit for work.

## Pensionable salary in the event of disability

Art. 14

1. If an insured is fully unfit for work, the salary earned immediately prior to the commencement of the inability to work shall remain valid for insurance purposes.
2. If an insured is partially disabled, the insurance shall be divided into an "active" part and a "disabled" part. The salary to be split into 2 parts equals the salary valid immediately prior to the commencement of the inability to work. The split is carried out based on the benefits level as defined in Art. 20.5. Any limits mentioned in the occupational benefits plan shall be reduced accordingly.



The salary underlying the “disabled” part of the insurance shall remain constant.

The salary underlying the “active” part of the insurance shall equal the annual earned income. The same shall apply for individuals who were partially disabled on enrollment with the occupational benefits fund.

The pensionable salary shall equal at least the BVG/LPP minimum salary.

# Occupational benefits

## Overview of benefits

Art. 15

The occupational benefits plan sets out which of the following benefits are insured:

- a) on reaching the reference age:
  - retirement pension Art. 18
  - pensioner’s child’s pension Art. 19
  
- b) in the event of disability:
  - contribution waiver Art. 21
  - disability pension Art. 22
  - disabled person’s child’s pension Art. 23
  
- c) in the event of death:
  - partner’s pension Art. 26
  - orphan’s pension Art. 27
  - lump sum payable at death Art. 28
  - annuity certain Art. 29

The occupational benefits fund commission may set out further benefits within the framework of the principles approved by the Board of Trustees.

## Retirement assets

Art. 16

1. Retirement assets are accrued for each insured.
  
2. The retirement assets are increased by:
  - retirement credits
  - vested benefits brought into the fund
  - amount paid in from pension benefits settlement on divorce
  - benefits purchased and amounts paid in
  - repayment of advance withdrawals for financing residential property
  - repurchases of benefits following a divorce
  - interest

The pension plan regulates the details regarding the treatment of purchases and the resulting benefits.

- The retirement assets are reduced by:
- advance withdrawals under the promotion of home ownership option
  - partial pay-outs as a result of a divorce
  - partial transfers to 1e occupational benefits institutions
  - capital to finance retirement and survivors’ benefits that fall due

3. The amount of the annual retirement credits is governed by the occupational benefits plan.
4. Interest is calculated on the accrued retirement assets at the end of the previous year and credited to the retirement assets at the end of each calendar year.
5. Contributions or withdrawals earn interest on a pro rata basis during the year in question.
6. If a pension claim arises or an insured withdraws from the occupational benefits fund during the course of a year, the accrued retirement assets at the end of the previous year shall form the basis for the interest calculation. Interest for the current year shall be paid pro rata to the date on which the pension claim arises or the vested benefits are paid out.
7. The interest rate applying to the retirement assets is governed by the occupational benefits plan. The Foundation shall inform the insured of the applicable interest rates every year.

**Prospective retirement assets at the reference age**

Art. 17

The prospective retirement assets at reference age consist of

- the accrued retirement assets, plus
- the sum of the retirement credits (with interest) for the years remaining until the reference age is reached. The retirement credits shall be calculated on the basis of the last full pensionable salary of the insured.

**Retirement benefits**

**Retirement pension**

Art. 18

1. Entitlement to a retirement pension arises when the insured reaches the reference age. A retirement pension can be drawn early in full or in part or occupational benefits insurance may be continued/retirement benefits deferred beyond the reference age pursuant to Art. 7.

For disabled persons, entitlement to a retirement pension arises when they reach reference age as defined in the occupational benefits plan at the start of the incapacity for work that caused the disability.

2. The amount of the annual retirement pension is based on the accrued retirement assets at the retirement date, or on the prorated portion in the case of a partial withdrawal, and is calculated using the pension conversion rates that apply at that time. The pension conversion rates are determined by the Board of Trustees provided the authority to do this has not been delegated to the occupational benefits fund commission. If benefits are drawn early, reduced pension conversion rates apply; if occupational benefits insurance is continued or retirement benefits are deferred beyond the reference age, increased pension conversion rates apply.

For disabled persons whose disability pension is converted into a retirement pension, the conversion rates that are valid on the conversion date for the age in question apply.

The Foundation shall inform the insured of the applicable conversion rates every year.

3. If the retirement pension replaces a current disability pension, the retirement pension shall not be less than the inflation-adjusted statutory disability pension.
4. Entitlement to a pension shall lapse if the insured dies.

**Pensioner's child's pension**

Art. 19

1. Entitlement to a pensioner's child's pension arises if the insured draws a retirement pension and has children eligible for a pension pursuant to Art. 51.
2. The pension claim lapses if the conditions for pension eligibility pursuant to Art. 51 are no longer fulfilled or if the insured dies.
3. The amount of the annual pensioner's child's pension is specified in the occupational benefits plan.

## Disability benefits

Provided no other provisions are specified in the pension plan in consideration of the principles applying to the Foundation, the following provisions apply for the disability benefits:

### General provisions

Art. 20

#### 1. Incapacity for work, occupational disability, disability

These terms are defined as follows as far as they pertain to the disability benefits:

- Incapacity for work is the full or partial inability – on account of physical, mental or psychological health problems – to perform any reasonable function in one's current profession or field of work. If the incapacity for work lasts for an extended period, a job in another profession or with another remit may also be considered reasonable.
- Occupational disability is the total or partial loss of the ability to earn an income in the stable labor market in question after reasonable treatment of an impairment of bodily, mental or psychological health, and efforts to reintegrate the insured into the workforce. To assess if a case falls under occupational disability, only the consequences of the person's health impairments must be taken into consideration. In addition, occupational disability exists only if an objective opinion states that a recovery can be ruled out.
- Disability is defined as the permanent or temporary inability to earn a living. Unemployed minors shall be considered to be disabled if the impairment of their bodily, mental or psychological health is expected to lead to the total or partial inability to earn a living. Persons who are of age and were unemployed before the impairment of their bodily, mental or psychological health and who cannot be reasonably expected to work shall be considered to be disabled if it is impossible to continue to employ them in their present remit. To assess if a case falls under disability, only the consequences of the person's health impairments must be taken into consideration. In addition, disability exists only if an objective opinion states that a recovery can be ruled out.

The Foundation has the right to request additional information and proof or to obtain these itself. It can oblige the insured person

to undergo an examination by its medical experts at any time. The Foundation will bear the costs.

#### 2. Eligibility requirements

Entitlement to a contribution waiver as defined in Art. 21 assumes that the insured's incapacity for work is at least 40% and that he/she was insured under these occupational benefits fund regulations at the time the illness/injury which made him/her unfit to work was sustained.

Entitlement to disability benefits as defined in Art. 22 and Art. 23 assumes that the insured person

- is at least 40% disabled as defined by the Swiss Federal Disability Insurance (IV/AI) and was insured under these occupational benefits fund regulations at the time the illness/injury which made him/her unfit to work was sustained; or
- was at least 20% but less than 40% disabled as the result of a congenital defect at the time when he/she started working and was insured for at least 40% at the time that the illness/injury which increased his/her level of disability was sustained; or
- became disabled while still a minor and was therefore at least 20% but less than 40% disabled at the time when he/she started working and was insured for at least 40% at the time that the illness/injury which increased his/her level of disability was sustained.

#### 3. Waiting period

The waiting period is the minimum effective period of incapacity for work or disability that must elapse before the insured person is entitled to receive benefits. This waiting period is specified in the occupational benefits plan.

If the agreed waiting period is 24 months and the daily benefits in the event of inability to work due to illness are not paid for the entire 24-month period, the disability pension and disabled person's child's pension shall be granted from the date on which the entitlement to daily benefits lapses, but not before the date on which the entitlement to an IV/AI pension commences.

#### 4. Level of disability

The level of disability is determined on the basis of the relationship between the income from employment which the insured could earn in a stable labor market by performing a job that may be reasonably expected from him/her after he/she has become disabled, has received

medical treatment and has been reintegrated into the workforce, and the income from employment which he/she could have earned if he/she were not disabled.

## 5. Calculation of benefits

Benefits shall be paid as follows:

Level of incapacity for work/disability in %	Level of benefits in %
0 – 39	0
40	25
41	27.5
42	30
43	32.5
44	35
45	37.5
46	40
47	42.5
48	45
49	47.5
50 – 69	exact level
From 70	100

For insured members whose incapacity for work occurred prior to January 1, 2022, the regulations for the calculation of benefits in place at the onset of the incapacity for work are applied until such time as disability as defined by disability insurance (IV) becomes effective. If disability occurs after January 1, 2022, the calculation of benefits system valid from January 1, 2022, is applied as of the time the pension commences.

## 6. Duty to cooperate

Subject to Art. 1.2, benefits will be reduced or refused temporarily or permanently if an insured person withdraws from or refuses reasonable treatment or efforts to reintegrate him into work life that are likely to improve in his earning capacity significantly or open up new job possibilities, or if he does not of his own accord contribute as much as can be reasonably expected toward such measures.

## 7. Provisional continuation of insurance

If the disability pension (IV) is reduced or suspended because the insured's disability level is now lower, the insured will continue to be covered by the occupational benefits institution that is liable for benefits under the same terms for 3 years, provided that the insured participated in reintegration measures as defined in Art. 8a IVG before benefits were reduced or suspended or that the pension was reduced or suspended

because the insured resumed work or increased his/her working hours.

Similarly, pension coverage and entitlement to benefits remain in force for as long as the insured receives provisional benefits as defined in Art. 32 IVG.

In the period of continued insurance and entitlement to benefits, the occupational benefits institution will reduce the disability pension according to the insured person's reduced disability level, but only to the extent that the reduction is offset by any supplementary income the insured earns.

The insured persons affected are deemed to be disabled as defined in these regulations.

## Contribution waiver

Art. 21

1. Entitlement to a contribution waiver arises after the waiting period defined in Art. 20.3 ends.
2. If the incapacity for work is expected to last longer than 6 months, the case must be registered with the disability insurance (IV) before the end of these 6 months. Otherwise, the Foundation has the right to cancel the contribution waiver.
3. Subject to Art. 20.7, entitlement to benefits ceases if the insured's level of incapacity for work drops below 40%, the IV office rejects its obligation to pay benefits or discontinues benefit payments, or if the insured reaches the reference age as defined in the occupational benefits plan before incapacity of work set in or dies.

## Disability pension

Art. 22

1. Entitlement to a contribution waiver arises on expiry of the waiting period pursuant to Art. 20.3. There shall be no entitlement to a disability pension for as long as the insured receives daily benefits from the IV/Al.
2. Subject to Art. 20.7, entitlement to benefits ceases if the IV office discontinues its benefits or if the insured resumes work, reaches the reference age as defined in the occupational benefits plan before incapacity of work set in or dies.
3. The amount of the annual disability pension is specified in the occupational benefits plan.

The minimum pension equals the statutory disability pension. This consists of:

- the accrued retirement assets (pursuant to the BVG/LPP calculation of conformity) at the time that entitlement to a BVG/LPP pension arises, and
- the future retirement credits (without interest) for the remaining years until the insured reaches the reference age, based on the BVG/LPP tables as well as the pensionable BVG/LPP salary and using the statutory conversion rate for retirement pensions.

### **Disabled person's child's pension**

Art. 23

1. Entitlement to a disabled person's child's pension arises at the same time as the claim to a disability pension, provided that the insured has eligible children pursuant to Art. 51.
2. Subject to Art. 20.7, entitlement to the pension ceases if the conditions for eligibility pursuant to Art. 51 are no longer met or the IV office suspends its pension benefits, or if the insured resumes work, reaches the reference age as defined in the occupational benefits plan when incapacity for work set in or dies.
3. The amount of the annual disabled person's child's pension is specified in the occupational benefits plan. The minimum pension equals 20% of the statutory disability pension.

### **Change in the level of disability**

Art. 24

If the level of disability changes, the case shall be re-examined and the benefits adjusted, if necessary. If, as a result of a reduction in the level of disability, the benefits paid out were too high, these benefits must be repaid.

## **Death benefits**

### **General provisions**

Art. 25

- Entitlement to death benefits arises if the insured
- was insured under these occupational benefits fund regulations at the time of his/her death or on the occurrence of disability the cause of which led to death; or
  - was at least 20% but less than 40% disabled as the result of a congenital defect at the time

when he/she started working and was insured for at least 40% at the time that the level of the disability, the cause of which led to death, increased; or

- became disabled while still a minor and was therefore at least 20% but less than 40% disabled at the time when he/she started working and was insured for at least 40% at the time that the level of disability, the cause of which led to death, increased; or
- received a retirement or disability pension from the Foundation at the time of death.

### **Partner's pension**

Art. 26

The occupational benefits plan specifies whether spouses and unmarried partners or exclusively spouses are beneficiaries, and whether the partner's pension falls under basic or extended coverage.

#### **1. Basic coverage**

Entitlement to a partner's pension arises if the insured dies and

- is survived by a spouse who at the time
  - a) is responsible for the maintenance of one or more children, or
  - b) has reached the age of 45 years and the marriage lasted at least 5 years.
- or is survived by an eligible partner pursuant to Art. 26.5 who, at the time
  - a) is required to pay support for one or more joint children, or
  - b) has reached the age of 45.

If neither of these conditions pursuant to a) or b) are met, a single lump-sum settlement will be paid in the amount of three annual pensions.

Entitlement shall lapse if the eligible person marries or dies.

#### **2. Extended coverage**

Entitlement to a partner's pension arises when the insured dies and is survived by a spouse or an eligible partner pursuant to Art. 26.5.

Entitlement to a pension lapses if the eligible person marries prior to reaching the age of 45 or if that person dies. In the event that the eligible person marries prior to reaching the age of 45, a single lump-sum settlement will be paid in the amount of three annual pensions.

#### **3. Amount of the partner's pension**

The amount of the partner's pension is governed by the occupational benefits plan.

- The minimum pension equals
- 60% of the statutory disability pension before the reference age is reached
  - 60% of the statutory retirement pension after the reference age is reached.

#### 4. Reduction and discontinuation of the pension

The pension shall be reduced by 1% for each year or part of a year by which the eligible person is more than 10 years younger than the deceased.

The pension is furthermore reduced if the marriage or beginning of the joint household and domicile of the partner occurred after the deceased reached the age of 65, and the reduction amounts to 20% for each year or part thereof in excess of this threshold.

No pension is paid if the insured married after having reached the age of 69 or if the conditions for a life partnership entitling the partner to a pension were met after the age of 69 or if he or she, at the time of the marriage or beginning of the life partnership entitling a partner to a pension, had reached the age of 65 and suffered from a serious illness of which they were aware and died within 2 years following the marriage or beginning of the life partnership entitling a partner to a pension.

The reduction of the partner's pension pursuant to paras. 2 and 3 no longer applies if, at the time of the marriage after age 65, a domestic partnership in the same household and domicile already existed and had been entered into prior to age 65, and the length of the domestic partnership continued without interruption up to the marriage combined with the duration of the marriage was at least 5 years at the time of death.

These restrictions shall not apply if they infringe on the minimum benefits specified by the BVG/LPP.

#### 5. Requirements for entitlement of the unmarried partner

The entitlement of an unmarried partner to a partner's pension requires there to be a life partnership entitling the partner to a pension. The surviving partner has no entitlement if he/she already receives a surviving spouse's pension or surviving partner's pension from a domestic or foreign pension plan.

A life partnership entitling a partner to a pension exists if, at the time of death:

- a) both partners are unmarried and not related to each other, and
- b) they are not registered within the meaning of the Act on the Registered Partnership between Persons of the Same Sex, and
- c) both partners have been in a domestic partnership in the same household and domicile without interruption for 5 years immediately prior to the death of the insured. If the insured is divorced, the earliest date of the beginning of the life partnership is the date on which the divorce of the insured became final and binding;
  - or
  - the insured supported the surviving partner to a significant degree;
  - or
  - the surviving partner is required to pay support for one or more joint children.

#### 6. Claim by divorced spouse

The divorced spouse is treated the same as the spouse, provided that the marriage lasted for at least 10 years and the divorce decree stipulates the payment of a pension to the divorced spouse pursuant to Art. 124e para. 1 or 126 para. 1 SCC.

The benefit is reduced by the amount by which it, together with the other insurance benefits that are related to the death of the insured, in particular the AHV and IV, exceeds the claim under the divorce decree.

There is no entitlement if the divorced spouse is awarded a pension share pursuant to Art. 124a SCC in the divorce decree.

#### Orphan's pension

Art. 27

1. Entitlement to an orphan's pension arises if the insured dies leaving eligible children pursuant to Art. 51.
2. The entitlement to an orphan's pension lapses if the conditions for eligibility pursuant to Art. 51 are no longer fulfilled.
3. The amount of the annual orphan's pension is specified in the occupational benefits plan. The minimum pension equals
  - 20% of the statutory disability pension before the reference age is reached
  - 20% of the statutory retirement pension after the reference age is reached.

### **Lump sum payable at death**

Art. 28

1. Entitlement to the lump sum payable at death arises if the insured dies before reaching the reference age in accordance with Art. 7.
2. The amount of the lump sum payable at death is set out in the occupational benefits plan.
3. General order of beneficiaries  
The following shall be entitled to the full lump sum payable at death:
  - a) the spouse of the insured;  
if none:
  - b) the children eligible for a pension under Art. 51;  
if none:
  - c) the natural persons that the insured person supported to a significant extent and the person with whom the insured had formed a partnership as defined in Art. 26.5; persons already receiving a partner's pension from a domestic or foreign pension plan have no entitlement to a lump sum payable on death;  
if none:
  - d) the children of the insured who are not entitled to a pension under Art. 51;  
if none:
  - e) the parents of the insured;  
if none:
  - f) the siblings of the insured.

If none of the persons mentioned in Art. a) to f) are available, half of the lump sum payable at death shall be paid to the other legal heirs to the exclusion of the community.

Beneficiaries in the same category shall receive equal parts of the death lump sum.

4. The lump sum payable at death does not form part of the deceased's estate.

### **Annuity certain**

Art. 29

1. Entitlement to an annuity certain arises if the insured dies before reaching the reference age. The persons mentioned in Art. 28.3 are entitled to this annuity.
2. The entitlement to an annuity shall lapse on the date on which the insured would have reached the reference age defined in the occupational benefits plan at the time of his/her death.

3. The amount of the annual annuity certain is specified in the occupational benefits plan.

## **General provisions on occupational benefits**

### **Guarantee Fund**

Art. 30

1. As prescribed by law, the Foundation is affiliated with the Guarantee Fund.
2. The occupational benefits plan describes the financing of the contributions to the Guarantee Fund.

### **Repayment of benefits received wrongfully**

Art. 31

Benefits received wrongfully must be repaid by the benefit recipient.

### **Cost-of-living adjustments**

Art. 32

Statutory survivors' and disability pensions which have been paid out for more than 3 years will be adjusted in line with price trends until the BVG/LPP reference age as stipulated by the Swiss Federal Council.

Survivors' and disability pensions not subject to a cost-of-living adjustment in accordance with Art. 1, as well as retirement pensions, are adjusted to inflation based on the Foundation's financial capabilities. The Board of Trustees decides annually if and to what extent pensions will be adjusted.

### **Coordination with accident and military insurance**

Art. 33

1. Entitlement to disability and survivors' benefits is independent of whether disability or death was caused by illness or accident.
2. However, if benefits are payable by an accident insurer pursuant to the Swiss Federal Law on Accident Insurance (UVG/LAA) or a military insurer pursuant to the Swiss Federal Law on Military Insurance (MVG/LAM), the partner's orphan's, disability and disabled person's child's pensions due in accordance with these regulations shall be limited to the statutory minimum.

In addition, there shall only be an entitlement to these pensions if the benefits from the occupational insurance fund and any other benefits pursuant to Art. 34.2 do not exceed 90% of the earnings presumed to have been foregone.

3. Any claim to a disability or disabled person's child's pension shall arise only if the accident insurer or military insurance stops payment of daily benefits and replaces the daily benefits with a disability pension.
4. If accident and illness occur together, the provisions of Art. 33.2 – 33.3 shall apply only to the part which is a result of the accident.
5. If the insured event results from negligence, any reduction or refusal of accident or military insurance benefits shall not be compensated.
6. The restrictions of Art. 33.2 shall not apply to insured who are not subject to the UVG/LAA and thus were registered separately. If they were not registered, only the statutory minimum benefits shall be paid in the event of an accident.
7. More extensive accident coverage may be granted by the occupational benefits plan.

#### **Correlation with other insurance benefits**

##### **Art. 34**

1. The Foundation shall reduce the disability and survivors' benefits if these benefits, together with the creditable income pursuant to Art. 34.2, exceed 90% of the earnings presumed to have been foregone. The estimated lost income corresponds to the total earned and replacement income that the insured person would have received if the injuring event had not occurred.
2. Creditable income includes benefits of the same type and purpose paid to the eligible person by domestic and foreign social security plans and pension institutions due to an injuring event, such as pensions. This does not include lump-sum payments, care allowances for persons unable to look after themselves, impairment compensation, settlements, assistance contributions, or similar benefits. Also taken into account are daily benefits from mandatory insurances, as well as daily benefits from voluntary insurances, if these are financed by the employer by at least 50%. Orphan's pensions for the children of the eligible person shall also be taken into account. Recipients of disability benefits are also credited for any continued income from gainful employment or replacement

income, or any income which the insured can still be reasonably expected to earn, except in the case of supplementary income earned while the person participates in a reintegration program in accordance with Art. 8a of the Federal Law on Disability Insurance (IVG).

3. The Foundation shall reduce its benefits to the same extent if the AHV/AVS – IV/AI reduces, withdraws or withholds a benefit because the eligible person has caused the death or disability through gross negligence or resists the IV/AI's integration efforts.

#### **Subrogation and assignment**

##### **Art. 35**

At the time of the insured event, the Foundation shall succeed in the name of the occupational benefits fund to the claims of the insured, their dependants and other beneficiaries under these regulations against any third party who is liable for the insured event up to the amount of the statutory benefits.

Persons who have a claim to an extra-mandatory disability or survivors' pension must assign their claims against any third party liable for the insured event up to the amount of the benefits payable by the Foundation.

#### **Payment of occupational benefits**

##### **Art. 36**

1. Regulatory pension benefits are due 30 days after the Foundation has received all the information it needs in order to establish eligibility for such a payment. If the benefits have been pledged, the pledgeholder's written consent is required before the benefits can be paid out.

If, pursuant to Art. 40 BVG (OPA), the Foundation has a duty to notify in the event that the insured member fails to comply with his/her maintenance obligations, payment of lump-sum benefits will be made – subject to any other instructions by the court – at the earliest 30 days after delivery of the notification of the lump-sum payment to the responsible debt collection assistance authority.

2. Pensions that are due shall be paid monthly in advance on the first day of each month.

If the liability to pay benefits commences during the course of a month, the corresponding pro rata amount shall be paid.



If a survivors' pension replaces a current pension, the new pension shall be paid for the first time at the beginning of the following month.

**3. Review of entitlement to benefits**

The Foundation can request proof of entitlement at any time. In the absence of such proof, the Foundation will cease paying benefits by observing the provisions of Art. 1.2.

**4. Default interest**

If the Foundation is in arrears with paying pension benefits, it must pay default interest based on the current BVG minimum interest rate.

The divorced spouse may request a lump sum under the same conditions as the surviving spouse.

3. If, at the time the pension is drawn, the annual retirement pension or the disability pension payable in the event of full disability amounts to less than 10%, the surviving spouse's or surviving partner's pension to less than 6%, and any child's pension to less than 2% of the minimum AHV/AVS retirement pension, an equivalent lump sum shall be paid instead of a pension.

**Lump-sum payment**

Art. 37

1. The insured may choose to draw part or all of the retirement pension in the form of a lump sum. A corresponding declaration must be submitted before the first pension payment is due. The provisions under Art. 52.1 are reserved.

If additional service years were purchased, the retirement benefits purchased with this sum may be drawn only in the form of a pension during the next 3 years.

In the case of a partial lump sum withdrawal, the mandatory portion of retirement assets and any extra-mandatory portion of retirement assets are used in equal proportion to their share of total retirement assets.

All claims to pension benefits shall lapse to the amount of the lump-sum withdrawal.

If the insured is married, the lump-sum withdrawal of part or all of the retirement pension must be approved by the spouse in writing. The insured shall have recourse to the court if consent cannot be obtained, or if it is refused.

2. The eligible spouse or partner may request a lump sum instead of a survivor's pension. A corresponding declaration must be submitted before the first pension payment is due.

The lump sum shall equal the cash value of the pension due, less 3% for each year or part of a year by which the eligible person is younger than 45. It shall equal at least 4 annual pensions but shall not be less than the accrued retirement assets.

# Withdrawal

## Withdrawal from the occupational benefits fund

Art. 38

1. An insured shall leave the occupational benefits fund if he/she no longer fulfills the conditions for enrollment pursuant to the occupational benefits plan and no pension claim has arisen. This applies in particular when the insured leaves the company's employment. Continuation of insurance in accordance with Art. 52 is reserved.
2. The withdrawing insured is entitled to vested benefits, provided that he/she has accrued retirement assets. The vested benefits shall be calculated in accordance with the provisions of the Swiss Federal Law on Vesting in Pension Plans (FZG/FLLP) of December 17, 1993. In accordance with this law the occupational benefits fund is a defined contribution plan.

## Amount of the vested benefits

Art. 39

1. The vested benefits shall equal the retirement assets accrued up to the date of withdrawal pursuant to Art. 16.
2. The vested benefits must at least fulfill the conditions of Art. 17 FZG/FLLP and shall consist of the following:
  - a) Vested benefits brought into the occupational benefits fund, plus interest, and any single contributions paid in by the insured, plus interest
  - b) The sum of all contributions for retirement benefits made by the insured pursuant to the occupational benefits plan, plus interest. At least one-third of the total contributions paid by the employer and the insured pursuant to the regulations must be regarded as a contribution by the insured.
  - c) A premium on the sum calculated in accordance with b) above. At the age of 21 this premium amounts to 4%. It increases by 4% annually up to a maximum of 100%. No supplement is calculated for amounts defined in Art. 44 (2) and Art. 52.1.
3. In addition, the vested benefits must equal at least the retirement assets pursuant to Art. 15 BVG/LPP.

4. The vested benefits shall become due on the date that the insured leaves the occupational benefits fund. The vested benefits shall earn interest if the amount due can only be transferred at a later date. The interest rate is defined in Art. 2 paras. 3 and 4 FZG/FLLP.
5. In the case of partial or full liquidation of the occupational benefits fund or the Foundation, the provisions of the regulations on the partial and total liquidation of occupational benefits funds and on the partial liquidation of a collective foundation apply as well.

## Use of the vested benefits

Art. 40

1. The vested benefits shall be transferred to the pension fund of the new employer in accordance with the insured's instructions.
2. On request of the insured, the vested benefits shall be paid out in cash if
  - a) the insured permanently leaves the economic zone of Switzerland and Liechtenstein. If the insured moves to an EU/EFTA country and remains subject to compulsory retirement, disability and death coverage under the laws of this country, the vested benefits equaling the accrued BVG/LPP retirement assets cannot be paid out in cash.
  - b) the insured becomes self-employed and is no longer subject to the mandatory occupational benefits insurance
  - c) the vested benefits amount to less than one annual contribution by the insured.

The insured must submit the documents required to release the cash payment.

If additional service years were purchased, the vested benefits purchased with this sum may not be drawn in the form of a lump sum during the next 3 years.

3. If the insured is married, the spouse must approve the cash payment in writing. The insured shall have recourse to the court if consent cannot be obtained or if it is refused.
4. If the vested benefits have been pledged, the pledgeholder's written consent is required before the benefits can be paid out in cash.

5. If, pursuant to Art. 40 BVG (OPA), the Foundation has a duty to notify in the event that the insured fails to comply with his/her maintenance obligations, the cash payment will be made – subject to any other instructions by the court – at the earliest 30 days after delivery of the notification of the lump-sum payment to the responsible debt collection assistance authority.
6. If the vested benefits can be neither transferred to another pension fund nor paid out in cash, the amount is paid into a vested benefits policy or a vested benefits account in accordance with the notification by the insured person. In the absence of such notification, the vested benefits are paid into the Substitute Occupational Benefit Institution at the earliest within 6 months, but no later than 2 years after the person leaves the company.

#### **Temporary extended coverage**

Art. 41

After the insured leaves the occupational benefits fund, coverage against the risks of disability and death shall remain valid until the insured joins a new pension fund, but not for longer than one month.

#### **Change in the number of working hours**

Art. 42

In the event of a change in the insured's number of working hours, his/her accrued retirement assets shall be retained in full.

## **Contributions**

#### **Obligation to contribute**

Art. 43

1. The liability to pay contributions shall commence on the date of the insured's enrollment with the occupational benefits fund.
2. The obligation to pay contributions ceases on the death of the insured, but at the latest when he/she draws the full amount in retirement benefits or withdraws early from the occupational benefits fund due to leaving the company or permanently earns less than the minimum salary as defined in Art. 2 Art. 1 of the BVG. The insurer reserves the right to waive contributions in the event of disability.
3. The insured's contributions shall be deducted from his/her salary by the employer and transferred to the Foundation together with the employer's contributions.
4. The employer finances its contributions with its own funds or from a contribution reserve fund set up for this purpose.

#### **Contribution amounts**

Art. 44

The amount and composition of regular contributions are set out in the occupational benefits plan. Employer contributions must equal at least the total of those of all insured persons (shared contributions).

The insured must pay all contributions for continuing the insurance of the removed salary component pursuant to Art. 13.4, unless the occupational benefits plan defines another arrangement regarding their financing. These contributions are exempt from shared contributions.

The employer can make contributions to the occupational benefits fund in favor of the insured. The resulting benefits shall be allocated to the insured in accordance with objective criteria.

The contributions for special expenses are set out in the separate cost regulations.

## Purchase of additional benefits

Art. 45

1. Within the framework of the legal provisions, the insured may purchase additional benefits as specified in the regulations in order to improve his/her pension coverage. The decision to do so may be taken on enrollment with the occupational benefits fund or at a later date. Benefit purchases are primarily used as a means of closing a pension gap resulting from divorce.

The maximum possible purchase amount as specified in the regulations corresponds to the difference between the maximum possible retirement assets at the time of purchase and the actual retirement assets. The maximum purchase amount is reduced by assets pursuant to Art. 60a BVV 2/OPO 2. The maximum possible retirement assets correspond to the retirement assets that would be accrued in accordance with the occupational benefits plan if there were no gaps in contributions and the current pensionable salary were to apply until the date of purchase.

If occupational benefits insurance is to be continued/retirement benefits are to be deferred beyond the reference age, the retirement assets cannot exceed the amount that would have been reached at reference age under the occupational benefits plan and the insured salary valid at that time and with no gaps in the contribution period.

The calculation of the maximum possible retirement assets takes into consideration the actuarial interest rate defined in the occupational benefits plan.

2. The insured can purchase more than the full regulatory benefits in order to partially or wholly eliminate any reductions which may arise in the event of an early withdrawal of retirement benefits. If the insured waives the right to retire early, the maximum benefits permitted under the regulations may not be exceeded by more than 5%. If the percentage of retirement assets accrued is greater, this amount is transferred to the Foundation upon maturity.

3. A minimum amount of CHF 1,000 applies per purchase.

4. Benefits purchased will be used to increase the extra-mandatory retirement assets. Repurchased benefits in the context of divorce are used in the same proportion as for the original

purchase to increase the mandatory and extra-mandatory retirement assets.

5. If advance withdrawals were made to finance residential property, additional benefits may be purchased only after all advance withdrawals have been repaid. This does not apply
- in cases where repayment of the advance withdrawals is no longer possible, provided that the sum of the purchase of additional benefits and the advance withdrawals does not exceed the maximum benefits that are permitted under the regulations
  - to the repurchase of benefits transferred to the spouse in connection with divorce pursuant to Art. 49.6.
6. See Art. 46 for the tax treatment of the purchase.

# Other provisions

## Tax treatment

Art. 46

For the tax treatment, in particular of purchases, advance withdrawals for residential property, and partial withdrawals of retirement benefits (partial retirement), the legal provisions and the tax practices of the tax authorities are definitive. When reviewing tax privileges in connection with a purchase, the tax authorities generally consider a tax subject's overall assets, in particular the assets held with other pension institutions (consolidated view). The insured person is responsible for clarifying and carrying out a tax-privileged purchase, advance withdrawal for residential property, or partial withdrawal. The Foundation rejects all liability in the event of a refusal of the tax privilege following a purchase or partial withdrawal.

## Promotion of home ownership

Art. 47

1. The insured person may make an advance withdrawal of retirement benefits to purchase a residence for their own use until the claim to retirement benefits arises.
2. Until this same date the insured may also pledge their claims to retirement benefits and vested benefits in order to acquire residential property for own use.
3. Advance withdrawal and pledging of benefits are governed by the statutory provisions as well as a special directive issued by the Foundation.
4. An advance withdrawal leads to a reduction by the amount withdrawn in the mandatory portion of retirement assets and any extra-mandatory portion of retirement assets in equal proportion to their share of total retirement assets. The benefits dependent on the retirement assets shall be reduced accordingly.

A pledge shall not cause any reduction in benefits. However, the realization of a pledge shall have the same effect as an advance withdrawal.

The full or partial repayment of an advance withdrawal is included in the mandatory or the extra-mandatory part of the retirement assets in the same proportion as when the amount was paid out. If corresponding information is unavailable, the inclusion shall be made in line with the

proportions held in each portion of retirement assets immediately prior to the repayment.

## Assignment and pledging

Art. 48

The claim on benefits before they are due may neither be assigned nor pledged. The provisions of Art. 47 remain reserved.

## Divorce

Art. 49

1. On divorce the competent Swiss court will decide on the spouse's claims to vested benefits accrued during the marriage up to the time when the divorce proceedings were initiated.

In the absence of a divorce decree to the contrary, the following provisions apply.

2. If the insured person has not yet reached reference age and is not disabled, the vested benefits accrued from the time of the marriage until the initiation of divorce proceedings and any advance withdrawals for the purchase of residential property will be split.

The amount and use of any vested benefits transferred to the spouse are subject to the legally effective divorce decree. The mandatory portion and any extra-mandatory portion of retirement assets are thereby reduced by the vested benefits portion to be transferred in equal proportion to their share of total retirement assets. The benefits dependent on the retirement assets shall be reduced accordingly.

3. If the insured person is fully or partially disabled, the accrued vested benefits pursuant to Art. 49.2 is the amount that the insured person would be entitled to on reactivation at the time of the split.

Ongoing disability benefits are not reduced as a consequence. However, their mandatory and extra-mandatory portions will be adjusted accordingly. The reversionary retirement and survivors' benefits based on retirement assets will be reduced.

4. On partial or full retirement of the insured person during the divorce proceedings, the Foundation can reduce the vested benefits and the retirement benefits according to the provisions of Art. 19g Ordinance on Vesting in Pension Plans (FZV).

5. If the insured person is drawing a retirement pension, this is split in accordance with the divorce decree. The mandatory and any extra-mandatory portion of the current retirement pension of the obligated spouse are reduced in proportion to their share of the total pension by the amount of retirement pension to be split. Any entitlement to an existing retired person's child's pension at the time of initiation of divorce proceedings remains unchanged.

The entitled spouse has a lifelong entitlement to the pension share according to Art. 124a SCC. There is no entitlement to survivors' benefits. Prior to reaching the reference age, the Foundation transfers the pension share pursuant to Art. 124a SCC with the agreement of the entitled spouse as a one-off lump sum payment or alternatively to their occupational benefits or vested benefits institution on an annual basis. If the entitled spouse has reached the reference age or is drawing a full disability pension, they receive the pension share pursuant to Art. 124a SCC paid out in installments in advance on the first day of the month, provided their entitlement has not already been settled in the form of a one-off lump sum payment.

6. The insured may purchase additional benefits for the sum of the transferred vested benefits according to Art. 22d FZG. This will increase the occupational benefits accordingly.

7. Until it is verified that the legal pension claims of the entitled spouse have been met, the Foundation reserves the right to demand additional documents for examination of the facts. As long as these have not been provided, it may reject any payment request of the insured person.

8. Vested benefits brought in following divorce or pension shares pursuant to Art. 124a SCC are used in line with the proportions of the withdrawal of pension provision from the obligated spouse to raise the mandatory or extra-mandatory portion of the retirement assets. The notification of the transferring occupational benefits or vested benefits institution is definitive.

#### **Retirement benefits transfer to a 1e occupational benefits institution**

Art. 50

In compliance with the statutory provisions, the requirements of the supervisory authority, and the principles of the Foundation, the occupational benefits fund commission may decide to transfer

part of the retirement assets to an occupational benefits fund institution as set out in Art. 1e BVV 2/OPO 2.

The occupational benefits plan in place, and the maximum pensionable salary in particular, must be adjusted accordingly. The only assets that may be transferred are those relating to the extra-mandatory portions of the retirement assets from salary components above the upper limit of one and a half times the threshold according to Art. 8 para. 1 BVG/LPP that exceed the full purchase of benefits as specified in the regulations of the adjusted occupational benefits plan.

Transfers of retirement assets to a 1e occupational benefits institution require the agreement of the insured.

#### **Children eligible for a pension**

Art. 51

1. The children of the insured who are eligible for a pension are
  - his or her children and foster children entitled to an AHV/IV pension
  - stepchildren who receive full or primary financial support at the time of his or her death.
2. The final age at which the child is still eligible for a pension is set out in the occupational benefits plan.
3. Children shall be eligible for pension benefits past the final age for as long as they have not completed their education or are at least 70% disabled. However, the pension entitlement does not extend beyond their 25th birthday.
4. Entitlement to a pension lapses if the child dies.

#### **Continuation of pension provision**

Art. 52

##### **1. Exiting at age 55 and older**

An insured who exits mandatory insurance after reaching age 55 because his or her employer has terminated the employment relationship can request that pension provision be continued on the basis of Art. 47a paras. 2 – 7 BVG/LPP within 3 months of the employment relationship being terminated. The insured has the option of continuing to build savings contributions during such time as the retirement provision is continued. If pension provision has been continued for more than 2 years, the retirement benefit must be withdrawn in the form of a pension.

Early withdrawals or pledges for the purposes of financing home ownership are then no longer possible. The contributions required for the continuation of pension provision are paid entirely by the insured person.

Pension provision ends on the death of the insured person, on early retirement or when the reference age is reached. Pension provision will end if the insured person joins a new occupational benefits institution where more than two-thirds of their vested benefits are required to purchase full benefits as allowed for under the new institution's regulations.

The insurance coverage can be ended by the insured at any time and by the Foundation if any contributions are outstanding.

## 2. Sector-specific early retirement models

The continuation of pension provision within the framework of a sector-specific early retirement model is based on the provisions set out in the annex to the occupational benefits plan.

### Personal data

Art. 53

1. Personal data of insured required for the provision of occupational benefits may be passed on to co-insurers and re-insurers.

2. The Foundation implements the measures necessary to ensure compliance with data protection requirements. The data is used in accordance with the applicable statutory provisions. More information can be found at [AXA.ch/data-protection-bvg](https://www.axa.ch/data-protection-bvg).

### Measures to remedy a cover shortage

Art. 54

The Foundation must at all times be able to guarantee that it can meet its regulatory obligations. If the Foundation nevertheless suffers a cover shortage, the Board of Trustees must implement suitable restructuring measures.

If an occupational benefits fund invests all or part of its pension assets for its own account, the competent occupational benefits fund commission must implement suitable restructuring measures if there is a cover shortage.

Provided that the Foundation complies with the statutory provisions, the following measures in

particular can be implemented to eliminate the cover shortage:

- Review/adjustment of investment strategy
- Contributions by employer foundations or welfare funds
- Voluntary payments by the employer
- Payments by the employer into a separate “Employer contribution reserve fund with a waiver of usage” or transfer of normal employer contribution reserves to this account
- Lower interest rate or zero interest rate for the extra-mandatory retirement assets
- Lower interest rate or zero interest rate for the retirement assets in accordance with the imputation principle
- Restrictions on the time and amount of an advance withdrawal or refusal to pay out advance withdrawals to finance home ownership if the advance withdrawal is intended for the repayment of a mortgage.
- If the above or other measures do not have the desired effect, restructuring contributions can be levied from the employer and the insured persons. The employer's restructuring contribution must equal at least the total of all restructuring contributions paid by the insured persons.
- If the restructuring contributions also do not have the desired effect, the minimum BVG interest rate may be undercut by a maximum of 0.5% for the duration of the cover shortage, but not for longer than 5 years.

Any reduction in the interest rate for the retirement assets will also apply to the calculation of the minimum vested benefits pursuant to Art. 39.2.

### Amendment of the occupational benefits fund regulations

Art. 55

The board of trustees shall decide on any amendments to the occupational benefits fund regulations.

### Occupational benefits plan

Art. 56

The occupational benefits fund commission shall establish the occupational benefits plan within the limits imposed by the principles applying to the Foundation. As a rule, amendments can enter into force at the beginning of a new calendar year.

### **Transfer of vested benefits if the contract is rescinded in part or in full**

Art. 57

If the affiliation contract is partially or fully rescinded, the related claims to vested benefits of the withdrawing insured persons or pensioners are transferred to the new occupational benefits institution.

Entitlements include

- the amount of the withdrawing active insured persons' retirement assets, plus any prorated share in the surplus participation in accordance with the regulations on surplus participation, less any surrender penalty due under the group insurance contract concluded by the Foundation and any shortfall under the regulations on the partial and total liquidation of occupational benefits institutions and on the partial liquidation of collective foundations
- the amount of the withdrawing disabled insured persons' retirement assets, plus any share in the surplus participation in accordance with the regulations on surplus participation, less any surrender penalty due under the group insurance contract concluded by the Foundation
- the surrender value for withdrawing pensioners, taking into account the provisions of Art. 53e BVG/LPP,
- any additional assets of the occupational benefits fund, namely the entitlements in accordance with the regulations on the partial and total liquidation of occupational benefits funds or on the partial liquidation of a collective foundation, plus any employer contribution reserves.

If the benefits are transferred after the date of termination, the benefits portion equaling the BVG/LPP retirement assets shall earn interest at the minimum interest rate set by the Federal Council, and the remainder shall earn interest at rates set by the Board of Trustees (for the respective assets).

During the period of a partial or total liquidation of occupational benefits funds and/or of a partial liquidation procedure for the Foundation, no interest is earned on any entitlements to unallocated assets, technical provisions, or fluctuation reserves until payment becomes due. If the Foundation is in arrears with the payment, it incurs default interest based on the prevailing minimum BVG/LPP interest rate.

### **Place of performance**

Art. 58

The place of performance is the place of residence of the eligible person or his/her representative in Switzerland or an EU/EFTA country. If no such place of residence exists, benefits are paid at the domicile of the Foundation. Occupational benefits are paid in Swiss francs.

### **Administration of justice**

Art. 59

Any disputes arising from this contract can be brought only before a Swiss court. The place of jurisdiction is defined in Art. 73 BVG.

### **Entry into force**

Art. 60

These regulations enter into force on January 1, 2024, and replace the version of January 1, 2023.

### **General transitional provisions**

Art. 61

1. Benefits for insured events that occurred before the new regulations entered into force are processed in accordance with the regulations that were valid at the time of the insured event. The following Arts. 61.2 – 62 remain reserved.
2. Once the insured person has reached the reference age as defined in Art. 7, the provisions set out in the regulations that apply on reaching the reference age continue to apply to the current retirement benefits and reversionary entitlements to survivors' benefits. Any subsequent regulatory changes are not taken into consideration.
3. The regulations that apply for disability benefits are those that were in place at the time of the onset of the incapacity for work, the cause of which led to disability. The provisions under Art. 62 are reserved.
4. If disability benefits end because the person has reached the reference age defined in the occupational benefits plan at the onset of the incapacity for work, retirement benefits come into effect.
5. If disability benefits end because the insured person dies before having reached the reference age, the death benefits are calculated based on



the provisions that were in effect when incapacity for work began, with the exception of the order of beneficiaries as defined in Art. 28.3. The order of beneficiaries in accordance with Art. 28.3 is subject to the current regulatory provisions.

## **Specific transitional provisions relating to the 7th disability insurance revision**

### **Transfer of disability pensions being drawn on January 1, 2022, to the new pension system**

Art. 62

1. If entitlement to a disability pension arose prior to January 1, 2022, and if the insured member had already turned 55 as of this date, the entitlement to disability benefits will continue to be governed by the regulations that were in place at the onset of the incapacity for work.
2. If entitlement to a disability pension arose prior to January 1, 2022, and if the insured member had not yet turned 55 as of this date, the entitlement to disability benefits will continue to be governed by the regulations that were in place at the onset of the incapacity for work. However, if – following a pension review by disability insurance (IV) – the level of disability in occupational benefits insurance changes by at least five percentage points, disability benefits are adjusted in line with the new pension system as set out in Art. 20.5. This said, if the adjustment were to result in a decrease in the benefit level despite the increase in the disability level, or were the benefit level to increase following a reduction in the disability level, the existing benefit level will remain in place. The regulations in force at the onset of the incapacity for work will also remain valid in the event of a pension review.
3. If entitlement to a disability pension arose prior to January 1, 2022, and if the insured member had not yet turned 30 as of this date, the entitlement to benefits will be defined no later than January 1, 2032, in accordance with the provisions of Art. 20.5. If this results in a decrease in the benefit entitlement, the existing disability benefits will continue to be paid until such time as, in the event of a pension review, the disability level in occupational benefits insurance changes by at least 5 percentage points.