

# Pension Fund Regulations

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Liberty BVG Collective Foundation

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## Abbreviations

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In these Regulations, the below abbreviations shall have the following meaning:

**AHVG/LAVS**

Federal Act of 20 December 1946 on Retirement and Survivors' Insurance

**AHVV/RAVS**

Ordinance of 31 October 1947 on Retirement and Survivors' Insurance

**BVG/LPP**

Federal Act of 25 June 1982 on Occupational Retirement, Survivors', and Disability Pension Plans

**BVV 2/OPP 2**

Ordinance of 18 April 1984 on Occupational Retirement, Survivors', and Disability Pension Plans

**FZG/LFLP**

Federal Act of 17 December 1993 on Vesting in Retirement, Survivors' and Disability Pension Plans

**FZV/OLP**

Ordinance of 3 October 1994 on Vesting in Retirement, Survivors' and Disability Pension Plans

**IVG/LAI**

Federal Act of 19 June 1959 on Disability Insurance

**MVG/LAM**

Federal Act of 19 June 1992 on Military Insurance

**OR/CO**

Swiss Code of Obligations of 30 March 1911

**PartG/LPart**

Federal Act of 18 June 2004 on Registered Civil Partnerships between Persons of the Same Sex

**UVG/LAA**

Federal Act of 20 March 1981 on Accident Insurance

**WEFV/OEPL**

Ordinance of 3 October 1994 on the Use of Pension Assets for the Encouragement of Home Ownership

**ZGB/CC**

Swiss Civil Code of 10 December 1907

## Definitions

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In these Regulations, the terms below shall have the following meaning:

### AHVG/LAVS reference age

The reference age according to the AHVG/LAVS is the AHV/AVS reference age (age 65 or completed 65<sup>th</sup> year).

The reference age for women is:

- for women born in 1960 or earlier, 64 years
- for women born in 1961, 64 years and three months
- for women born in 1962, 64 years and six months
- for women born in 1963, 64 years and nine months
- for women born in 1964 or later, 65 years

### Benefits scheme

The pension fund committee decides on the benefits scheme, within the limits of the principles applicable to the Foundation, based on the scheme proposed by the Foundation. In principle, the benefits scheme may be changed at the start of any calendar year.

### BVG/LPP retirement savings capital

Retirement savings capital in accordance with BVG/LPP (the mandatory portion of the total pension assets)

### Children

This term is defined in Article 13.

### Disability

Disability is a total or partial permanent or prolonged incapacity for work, with reference to an employee's actual work-time (degree of employment) at the onset of the incapacity for work.

### Earning incapacity

Earning incapacity means, with reference to a balanced labour market, a full or partial loss of earning capacity caused by an impairment of physical, mental or psychological health, which persists after reasonable treatment and rehabilitation measures. In establishing earning incapacity, only the consequences of the health impairment shall be considered. Moreover, earning incapacity only exists if it cannot objectively be overcome.

### Employee

A person employed by an affiliated employer.

### Employer

A company or a self-employed person having concluded an affiliation agreement with the Foundation for the provision of occupational benefits to its/his employees.

### Employer contribution reserves with a declaration of renounced use

This term is defined in Article 43.

### Employer contribution reserves without a declaration of renounced use

This term is defined in Article 42.

### Extra-mandatory benefits

The Foundation provides occupational benefits outside the scope of the mandatory occupational benefits.

### Financing early retirement

Purchases designed to compensate the reduction in retirement benefits caused by early retirement.

### Foundation

Liberty BVG Collective Foundation, a collective occupational benefits foundation.

### Incapacity for work

Incapacity for work means a full or partial incapacity, caused by an impairment of physical, mental or psychological health, to undertake work, which could be reasonably required in an employee's current profession or functions. In case of longer-term incapacity, the ability to perform work, which could be reasonably expected in another profession or other functions, is taken into account.

### Insured salary

Defined in the benefits scheme. The maximum insurable salary is the maximum AHV/AVS contributory salary in accordance with Article 79c BVG/LPP (ten times the upper limit stipulated in Article 8(1) BVG/LPP) and Article 60c BVV 2/OPP 2 (taking into account all pensionable or coordinated salaries insured with other occupational benefit institutions). The same applies to the insured income of affiliated self-employed.

### Member

A person (employee or self-employed) who is insured with the Foundation.

### Partner

The Foundation grants the designated partner benefits under these Regulations.

### Pension assets

This term is defined in Article 11.

### Pension fund

The Foundation shall operate a separate pension fund for each affiliated employer and each affiliation agreement. For the pension funds of professional associations, the rules in the annex on occupational benefits for professional associations (Annex I) shall be additionally applicable.

### Professional association

A professional association that has designated the Foundation for the provision of occupational benefits to the members of its profession, within the meaning of Article 44 BVG/LPP.

## Definitions (continuation)

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### **Registered partnership**

A registered partnership within the meaning of PartG/LPart is equal to a marriage; the dissolution of a registered partnership by a court is equal to a divorce.

### **Regulatory reference age**

The regulatory reference age is set in the benefits scheme of each pension fund. The regulatory reference age may not be later than the AHVG/LAVS reference age.

### **Retirement**

Actual end of employment; may be before or after the (regulatory) reference age.

### **Risk insurance contract**

The Foundation shall choose 1 or more insurance and reinsurance companies to cover its risks (Article 67 BVG/LPP and Articles 42 and 43 BVV 2/ OPP 2).

### **Self-employed persons**

Self-employed persons who are affiliated with the Foundation. Self-employed persons without employees are affiliated through membership of a professional association accredited by the Foundation.

## Pension Fund Regulations

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Relying on Article 9 of the Charter of Liberty BVG Collective Foundation (hereafter «Foundation»), the Board of Trustees adopts the following Pension Fund Regulations (hereafter «Regulations»):

### General provisions

#### Art. 1 Organisation and purpose of the Foundation

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- 1 Liberty BVG Collective Foundation is a foundation established in accordance with Articles 80 et seq. ZGB/CC and Article 331 et seq. OR/CO, having its registered office in Schwyz.
- 2 The Foundation is entered in the register for occupational benefits and is subject to the oversight of ZBSA, the regulatory authority for BVG/LPP occupational benefit institutions and foundations in Central Switzerland (hereafter «Regulatory Authority»).
- 3 The Foundation is organised in accordance with its Rules of Procedure.
- 4 The purpose of the Foundation is to protect the employees of affiliated companies and their families and survivors against the economic consequences of retirement, disability and death through the provision of occupational benefits in the framework of the BVG/LPP and its implementing ordinances.
- 5 Self-employed persons may be insured with the Foundation within the limits of the law (Article 44 BVG/LPP). For the pension funds of professional associations, the rules in the annex on occupational benefits for professional associations (Annex I) shall be additionally applicable.
- 6 The Foundation shall cover death (before retirement) and disability risks by contracting insurance policies with insurance companies, which are subject to federal oversight. Life expectancy and mortality risks shall be borne by the Foundation directly.
- 7 The Foundation shall guarantee at least the minimum BVG/LPP benefits. For this purpose, it shall keep a “shadow” accounting showing the retirement savings capital and minimum BVG/LPP entitlements of each member.
- 8 The Foundation shall provide occupational benefits by means of defined contribution schemes within the meaning of the FZG/LFLP.

#### Art. 2 Content of Regulations

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- 1 These Regulations shall govern the rights and obligations of members and beneficiaries vis-à-vis the Foundation and the relationships between members, employer and the Foundation.

- 2 A pension fund may offer up to 3 benefits schemes to the members of each insurance group in accordance with Article 1d BVV 2/OPP 2. The groups shall be constituted based on objective criteria, such as seniority, responsibilities, hierarchical position, age group or salary level. The benefit schemes shall form an integral part of these Regulations.
- 3 In case of separate benefits schemes for mandatory BVG/LPP coverage and extra-mandatory benefits, the provisions of these Regulations governing minimum BVG/LPP benefits shall apply only to the mandatory BVG/LPP coverage.

#### Art. 3 Admission to coverage

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##### 1 Admission criteria

All employees and self-employed persons within the meaning of Article 1(5) who receive an annual salary from their employer in excess of the minimum wage pursuant to Article 2(1) BVG/LPP shall be admitted to the Foundation from 1 January after reaching the age of 17, subject to paragraph 4.

##### 2 Start of membership

Unless otherwise provided, members shall be admitted to a pension fund at the earliest:

- a) on 1 January following their 17<sup>th</sup> birthday for death and disability risks;
- b) and on 1 January following their 24<sup>th</sup> birthday for retirement benefits, but not beyond the reference age or, in accordance with Article 33b BVG/LPP, until the age of:
  - 70 for men and women born in 1964 or later;
  - 69 years and nine months for women born in 1963;
  - 69 years and six months for women born in 1962;
  - 69 years and three months for women born in 1961; and
  - 69 for women born in 1960 or earlier.

##### 3 Partially disabled members

Persons who are partially disabled (less than 70%) on admission to the Foundation shall only be insured for their degree of earning capacity.

##### 4 Voluntary coverage

The following persons may be admitted to voluntary coverage with the Foundation provided this has been agreed with the affiliated employer:

- full or part-time employees whose reference annual salary is below the mandatory BVG/LPP entry threshold;
- employees working part-time for the employer, provided however that they are already subject to mandatory insurance for their principal gainful employment, or that their principal gainful employment is in a self-employed capacity.

## 5 Exceptions

The following persons may not be insured with the Foundation:

- employees who have reached or exceeded the reference age, unless they are employees with deferred retirement benefits taken over by the Foundation as members as part of a collective transfer;
- employees whose employer is not required to pay AHV/AVS contributions;
- employees hired for a limited period not exceeding 3 months. If employment is extended beyond the 3-month period, the employee shall be insured from the time the extension is agreed; if several consecutive terms of employment with the same employer last longer than 3 months altogether, and provided the break between any 2 consecutive terms does not exceed 3 months, the employee shall be insured from the start of the fourth month altogether of employment; if, however, it is agreed before the start of employment that the duration of employment will exceed 3 months altogether, the employee shall be insured from the start of employment;
- persons who are at least 70% disabled within the meaning of the Federal Disability Insurance (IV/AI) shall not be admitted; nor shall persons who temporarily maintain their insurance with another occupational benefits institution in accordance with Article 26a BVG/LPP.

## 6 Voluntary maintenance of insurance for FAR pensioners

Members who leave the mandatory insurance because they are granted a bridging pension by the "Stiftung für den flexiblen Altersrücktritt im Bauhauptgewerbe" (FAR Foundation) may maintain their retirement benefits coverage with Liberty BVG Collective Foundation (Foundation).

## 7 Maintaining insurance precludes (partial) early retirement under Article 14(3).

## 8 Only the savings insurance with annual retirement credits shall be maintained. For the term of voluntary maintenance of insurance and until the regulatory reference age, death and disability insurance shall be cancelled except for the lumpsum death benefit under Article 24(1).

## 9 The application to maintain the insurance must be filed with the Foundation before the start of the FAR benefits.

## 10 After the start of FAR benefits, withdrawals under the encouragement of home ownership scheme are no longer permitted. Withdrawals of lump-sum benefits in accordance with Article 35 are precluded for the term of the FAR Foundation bridging pension.

## 11 The annual retirement credits are set by the FAR Foundation and shall be credited to the member's pension assets in a single payment.

## 12 Voluntary maintenance of insurance when leaving mandatory insurance after the age of 58

Members who leave mandatory insurance after reaching the age of 58 because their employment contract was terminated

by the Employer may apply to the Foundation to maintain their insurance in the existing scope in accordance with paragraphs 13 et seq. below. When initiated by the Employer, termination by mutual consent shall qualify as termination of the employment contract by the Employer.

## 13 Members must apply for maintenance of insurance in writing within 30 days of leaving the mandatory insurance.

## 14 During the period of maintained insurance, members may build up their retirement savings capital by further contributions. The termination payment shall remain with the Foundation even if there is no further accretion of the pension assets.

## 15 When insurance is maintained, the last insured salary before the end of the mandatory insurance shall remain unchanged. Notwithstanding, a member may define a lower insured salary for the full benefits coverage or – if provided for in the Regulations – only for the retirement benefits, under the proviso that the insured salary may not be less than the regulatory entry threshold. The chosen scope of the maintained insurance may be reduced every year effective on 1 January of the calendar year, provided here too that the insured salary shall not be less than the regulatory entry threshold. The adjustment must be requested in writing before the end of November of the preceding year. Failing which, insurance will be maintained in the existing scope. A subsequent increase in the insured salary is not possible. If the member joins a new occupational benefits institution and a portion of his termination payment is transferred to the latter, the insured salary shall be reduced commensurately with the reduction in the termination payment when the transfer is made.

## 16 The member shall pay risk (death and disability) insurance contributions corresponding to the employer's and the member's contributions. If the member continues to build up his pension assets, he shall pay both his own savings contributions and those of the employer. In determining the minimum amount in accordance with Article 17 FZG/LFLP, the 4% increase provided for under Article 17(1) FZG/LFLP shall not apply to the member's contributions.

## 17 In the context of the maintained insurance, the member shall pay the corresponding employee recovery contributions in the event of restructuring.

## 18 If the member joins a new occupational benefits institution, the Foundation shall transfer the termination payment to the new occupational benefits institution to the extent it can be applied to purchasing full regulatory benefits. If, after such transfer, at least one-third of the termination payment remains in the Foundation, the member may maintain the insurance with the Foundation for the remaining portion of the termination payment. If more than two-thirds of the termination payment has to be transferred to buy into the full regulatory benefits, the insurance with the Foundation shall cease.

## 19 The insurance shall end upon the occurrence of an insured event, i.e. at the member's death, disability or retirement, but

at the latest when the member reaches the regulatory reference age. If the member joins a new occupational benefits institution, the insurance shall end if more than two-thirds of the termination payment has to be transferred to buy into the full regulatory benefits. The insurance may be terminated at any time by the member, and by the Foundation if the member is in arrears with contribution payments. The member shall be deemed in arrears if he fails to transfer all or part of the outstanding contributions within 30 days of the date the payment reminder was sent.

20 If the maintained insurance ends before the member reaches the earliest possible age entitling him to draw retirement benefits, the provisions on leaving shall apply. Otherwise, retirement benefits shall be paid. If the insurance is maintained for more than 2 years, benefits shall be paid in the form of a pension and the termination payment may no longer be used to finance the purchase of an own home in accordance with Article 35.

## Art. 4 Benefits coverage

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### 1 Start of coverage

For employees, coverage shall start on the first day of employment, or when they are first entitled to a salary, but in any event when the employee sets off for work and the admission criteria in Article 3(1) are satisfied. If these conditions are satisfied at a later date, the employee shall be registered with the Foundation from that date. For self-employed persons, coverage shall start as a rule on the entry date indicated in their membership application, but not before the first day of the month in which the application is received by the Foundation. For self-employed persons, the relevant provisions of the annex on occupational benefits for professional associations (Annex I) shall apply.

### 2 Definitive coverage

Definitive benefits coverage in accordance with the benefits scheme shall first start when the member is admitted without reserves by the Foundation. The minimum BVG/LPP benefits are covered. Members shall be informed in writing of their admission or definitive coverage (with or without medical exclusions in accordance with paragraphs 7 and 9 below).

3 Until a member receives definitive confirmation of admission to the insurance from the Foundation, death and disability coverage is temporary.

4 If, at the start of coverage, a member does not have full capacity for work, and the cause of the incapacity for work leads to a disability, or to an increase in the degree of disability, the member shall not be entitled to benefits under these Regulations or under the benefits scheme.

### 5 Temporary coverage/health assessment

The Foundation may require members to provide information about their health in the form of a written health report when they join, in the event of an increase in insured benefits, or if

they apply to insure an additional salary or income. If necessary, the Foundation and the external offices entrusted with the health assessment (risk insurance and insurer's medical services) may, at their own expense, request the necessary information for the purposes of the health assessment from a doctor, or they may demand that the member submit to a medical examination.

6 Until definitive benefits coverage is granted, temporary risk coverage for a maximum amount shall be granted in accordance with the reinsurance contract. The Foundation shall notify the temporary coverage to the member in writing. If an insured event occurs during the period of temporary coverage:

- benefits deriving from the vested termination payment which were subject to an exclusion imposed by the previous occupational benefits institution shall be granted subject to such exclusion;
- the other temporarily insured benefits shall be granted within the limits of the temporary coverage, except in the event of a disability or an increase in the degree of disability which was due to an incapacity for work or to a cause (accident, illness, congenital disease, ailment/health condition) which existed at the start of temporary coverage, or for which the member was already under medical treatment or medical control.

7 Exclusions may be made in respect of death and disability risks based on the submitted documents and the health statement in particular. The duration of the exclusion may not exceed 5 years for an employee and 3 years for a self-employed person. Exclusions imposed by the previous occupational benefits institution may be maintained in effect, in which case the exclusion period lapsed with the previous institution shall be deducted from the new exclusion period. An exclusion decided by the Foundation shall not apply to benefits deriving from entry transfers of vested termination benefits, provided such benefits were not subject to exclusions decided by the previous occupational benefits institution.

8 If a prospective member refuses to cooperate with the health assessment and, in particular, fails to provide a statement of health or undergo the required medical examination, the Foundation may terminate the death and disability coverage (risk insurance) on the extra-mandatory portion and permanently limit its death and disability coverage to the statutory minimum BVG/LPP benefits, subject to Article 24(1) on the payment of the lump-sum death benefit.

### 9 Benefits coverage (risk coverage) in the event of a medical exclusion

If during the term of the exclusion an insured event occurs (death or incapacity for work which subsequently causes disability, an increase in the degree of disability, or death) the cause of which was covered by an exclusion, the benefits payable by the Foundation (including reversionary survivors' benefits) shall be permanently reduced to the BVG/LPP minimum benefits, subject to Article 24(1) on the payment of the lump-sum death benefit.



10 If benefits coverage, or the insured salary or income is extended or increased, Article 4(2) to 4(9) shall apply analogously to the additional benefits to be insured.

#### 11 Breach of the obligation to disclose

If the Foundation retrospectively establishes that the health declaration contains information that is untrue or incomplete, or that untrue or incomplete statements were provided during the medical examination (non-disclosure), the Foundation may terminate its death and disability coverage in respect of the extra-mandatory portion and permanently reduce its death and disability benefits to the minimum BVG/LPP benefits. Resitution shall be claimed for any excess benefits paid. The right to termination shall expire 4 months after the Foundation has received reliable information enabling it to conclude with certainty that there has been an infringement of the obligation to disclose.

#### 12 End of benefits coverage

Benefits coverage shall end on the date the member withdraws from the Foundation's benefits coverage, namely:

- following termination of employment;
- if the admission criteria are no longer met (i.e. salary falls below the minimum threshold or entry level); or
- following termination of the affiliation agreement.

Notwithstanding, voluntary maintenance of insurance in accordance with Article 3(12) et seq., and the maintenance of coverage during unpaid leave in accordance with Article 5 may apply. For self-employed persons without employees, the relevant provisions of the annex on occupational benefits for professional associations (Annex I) shall apply.

#### 13 Continued coverage

When a member leaves the Foundation, his existing death and disability coverage shall be continued until the start of his insurance with a new occupational benefits institution, but for no longer than 1 month. In case of retirement, there shall be no continued coverage.

#### 14 Re-admission

Members who are re-admitted to the Foundation after having left shall be treated like new members.

### Art. 5 Unpaid leave of absence

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- 1 During unpaid leave lasting no longer than 2 years, death and disability risks may, at the member's request, continue to be insured at the same level as at the start of the leave.
- 2 At the member's request, savings contributions may be continued during the unpaid leave in addition to the risk insurance under paragraph 1.
- 3 The reference basis shall be the member's last insured salary before the unpaid leave. The member shall pay both the employer and the employee contributions. The employer shall collect the contributions.

4 The employer may participate in funding the contributions during the member's unpaid leave.

5 During the unpaid leave, the accrued retirement savings capital shall earn interest at the rate set by the Foundation.

6 If the member does not avail himself of the possibility of maintaining his insurance coverage or risk insurance before the start of the leave, the full risk insurance (retirement, death and disability) shall be suspended from the actual start of the unpaid leave until the member resumes work. If the member does not resume work for the employer within 2 years at the most, the occupational benefits relationship shall be terminated and he shall leave the pension fund in accordance with Article 33.

### Art. 6 Obligation to inform and notify, and obligation of diligence

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1 Affiliated employers, professional associations, self-employeds, pension fund committees, members and their survivors shall provide the Foundation promptly with all necessary information for the proper provision of the occupational benefits. The Foundation may demand all material documentation for the purpose of establishing claims to benefits.

2 Affiliated employers, professional associations, self-employeds, members and their survivors shall promptly and automatically notify the Foundation of any material facts affecting the insurance relationship. The following, namely, shall be deemed material facts: entries and re-admissions (provided the admission criteria under Article 3 and the benefits scheme are satisfied); exits; retirements; cases of incapacity for work liable to result in disability; changes in the degree of disability; deaths; changes in address, payment instructions, civil status, family relationships or cohabitation, and in the activity of children receiving an orphan's or a child's pension. The member and his survivors shall automatically inform the Foundation about any other income to be taken into account (e.g. Swiss and foreign social security benefits, benefits from other occupational benefits institutions, income still earned from gainful employment).

3 On joining the Foundation, new members shall communicate to the Foundation the particulars of their vested termination benefits from prior pension arrangements. Members shall make available to the Foundation their termination payment statement showing, in particular, any pledges or withdrawals made under the encouragement of home ownership scheme (WEFV/OEPL).

4 If a member has several pension arrangements, and if the sum of all his AHV/AVS contributory salaries or income is more than 10 times the maximum limit under Article 8(1) BVG/LPP, he shall notify the Foundation of all his pension plan arrangements, indicating the salaries and income insured thereunder. If an employer has concluded affiliation agreements with several pension funds so that members are insured with several pension funds at the same time, the employer must take the necessary precautions to ensure that adequacy, within the meaning of Article 1 BVV 2/OPP 2, is duly observed in all the pension arrangements.

- 5 In cases of earning incapacity, the employer shall declare all claims promptly so that the appropriate steps may be taken to mitigate losses as early as possible. Moreover, the employer shall inform the Foundation about any circumstances liable to result in a loss: in particular, repeated absences lasting longer than 1 week, absences of more than 1 month, and reorganisations or restructurings involving lay-offs or early retirements.

## Salary/income definitions

### Art. 7 Insured salary/insured income

- 1 The insured salary shall equal the annual salary or, in the case of self-employed members, the declared annual income, minus the coordination amount, if applicable. A cap may be placed on the insured salary or income. The insured salary or insured income, as the case may be, shall serve as the calculation basis for the insured benefits and contributions. The coordination deduction and the cap shall be stipulated in the benefits scheme.
- 2 A bonus or performance commission (the performance-based components of the salary as against the base salary) must be included in the BVG/LPP upper annual salary limit under Article 8(1) BVG/LPP. Moreover, it may be agreed in the benefits scheme that bonuses and performance commissions exceeding the BVG/LPP upper annual salary limit shall be taken into account in the calculation.
- 3 A member's annual salary generally corresponds to his prior year's AHV/AVS salary, plus or minus any changes agreed for the new calendar year. If a member joins the Foundation in the course of a year, his annual salary shall equal the annual salary agreed with the employer.
- 4 Members, especially self-employed, whose degree of occupation and income levels fluctuate significantly shall declare their estimated income for the current year (agreed income) which may not, however, exceed the AHV/AVS contributory income. Employers and self-employed who cannot yet rely on a definitive calculation basis shall declare their reasonably expected AHV/AVS contributory income.
- 5 Customary fees for board membership, which are subject to AHV/AVS contributions, may be taken into account for the purpose of calculating the insured salary provided that the recipient is not a member of the pension fund of the employer paying such fees.
- 6 The following amounts shall not be included in the annual salary calculation:
  - portions of salary earned from other employers (except for board membership fees in accordance with paragraph 5);
  - remuneration and earnings that are merely occasional, such as:
    - temporary allowances and casual emoluments such as child and family allowances, overtime pay and compensation, performance-based bonuses, gratuities and any

extra allowances for special work (such as Sundays, night shifts and travel time);

- Bonuses or performance commissions exceeding the BVG/LPP upper limit under Article 8(1) BVG/LPP, unless otherwise agreed in the benefits scheme; and
- professional expenses of any kind.

- 7 A member's insured salary or insurable income during maintained insurance in accordance with Article 3(12) et seq. as well as in the event of unpaid leave in accordance with Article 5 shall correspond at the most to his existing insured salary or insurable income.
- 8 Employers and self-employed shall communicate the annual salary and insured bonuses or performance commissions, if any, as at 1 January to the Foundation at the start of the year, or on admission to coverage. Any insured bonuses or performance commissions first set or paid out (retroactively) after 1 January may, where agreed between the employer, the member, and the Foundation, be reported retroactively for the current year until 30 November at the latest.
- 9 Within the limits stipulated in this Article, the insured salary for retirement benefits and the insured salary for death and disability risks may differ in the benefits scheme. That does not, or cannot, apply in the case of the insured income of a self-employed.

### Art. 8 Changes in salary/income

- 1 The insured salary shall be determined for the first time when a member is admitted to coverage, and thereafter as a rule at the start of every calendar year. If a member changes his degree of employment, the insured salary or income, and the contributions and benefits shall be adjusted accordingly. In accordance with Article 20(2) FZG/LFLP, a benefits statement as in the case of a transfer of vested termination benefits is not required.
- 2 Changes in salary or income during the year may be taken into account where agreed between the employer, the member, and the Foundation (even retroactively) subject, however, to a possible risk check in the case of significant changes. Otherwise, adjustments shall be made as of 1 January of the following year. If the employer, or a self-employed member, as the case may be, does not report the salary as at 1 January, the previously reported AHV/AVS annual salary or annual income shall remain valid unless otherwise agreed between the employer, the member and the Foundation.
- 3 If a member's salary is temporarily reduced as a result of illness, accident, unemployment, maternity or paternity or adoption leave, or on similar grounds, the previous insured salary shall be maintained at least for the period during which the employer is legally obligated to pay the salary under Article 324a OR/CO, or for the duration of the maternity leave under Article 329f OR/CO, or paternity leave under Article 329i OR/CO, or adoption leave under Article 329j OR/CO. The member may, however, request a reduction of his insured salary.

## Art. 9 Insured salary/insured income in the event of disability

- 1 If a member becomes disabled, the salary or income, which was valid at the immediate onset of the incapacity for work, shall remain constant for pension purposes.
- 2 If a member suffers a partial incapacity for work, his benefits shall be divided into an active portion and a passive («disability») portion. The reference basis for the apportionment of the salary or income shall be the salary or income that was valid immediately before the onset of the incapacity for work. The apportionment shall be made in accordance with the benefits scale (percentage share of the pension entitlement) in Article 17(8). Any limits stipulated in the benefits scheme shall be reduced accordingly.
- 3 The salary attributed to the passive («disability») portion shall remain constant.
- 4 For the active portion, the income earned for the residual gainful employment shall be treated as the annual salary. The same shall apply to persons who are partially disabled when they are admitted to coverage. For members who are recognised as partially disabled within the meaning of the IV/AI, the entry threshold, coordination deduction and the BVG/LPP upper limit shall be reduced in accordance with the IV/AI pension entitlement.
- 5 The minimum insured salary shall at least correspond to the minimum BVG/LPP salary.

## Benefits

### Art. 10 Benefits insured under the benefits scheme

- 1 The benefits scheme shall specify which of the following benefits are covered:
  - a) at the reference age
    - retirement pension (Article 14)
    - retirement lump-sum capital (Article 15)
    - pensioner's child pension (Article 16)
  - b) in the event of disability (before retirement)
    - disability pension (Article 17)
    - disabled member's child pension (Article 18)
    - contribution waiver (Article 19)
  - c) in the event of death
    - spouse's or registered partner's pension (Articles 20 and 22)
    - partner's pension (Article 21)
    - orphan's pension (Article 23)
    - lump-sum death benefit (Article 24)
    - supplementary lump-sum death benefit (Article 24)
- 2 The Foundation shall grant benefits in accordance with the benefits scheme. The benefits scheme is an integral part of these Regulations.

- 3 Subject to the conditions set forth in these Regulations, the Foundation shall pay the regulatory benefits in the insured event of retirement, disability or death during the term of insurance coverage. To qualify for disability benefits, a member must have been insured with the Foundation at the onset of the incapacity for work, the cause of which led to his disability. To qualify for survivors' benefits, the deceased member must have been insured with the Foundation at his death or at the onset of the incapacity for work, the cause of which led to his death, or he must have been the recipient of a retirement or disability pension from the Foundation at his death. If the BVG/LPP provides for other circumstances triggering a payment obligation for the Foundation in the event of death or disability, the liability of the Foundation shall be limited to the minimum BVG/LPP benefits.

### Art. 11 Pension assets

- 1 An individual pension assets account shall be maintained for each member from 1 January after the member's 24<sup>th</sup> birthday – or earlier if applicable under the benefits scheme – the pension assets shall be increased by a retirement credit for each calendar year until the member leaves the Foundation or until the occurrence of an insured event, but at the latest until the member reaches the reference age.
- 2 If a member defers retirement and remains gainfully employed beyond the reference age, retirement credits continue to be allocated until the member actually retires but at the latest until the age of
  - 70 for men and women born in 1964 or later;
  - 69 years and nine months for women born in 1963;
  - 69 years and six months for women born in 1962;
  - 69 years and three months for women born in 1961; and
  - 69 for women born in 1960 or earlier.Members may apply to maintain pension coverage without contributions.
- 3 The following amounts in particular shall be credited to a member's pension assets:
  - termination payments transferred from other occupational benefits institutions;
  - vested termination benefits transferred from vested termination institutions;
  - employee retirement credits;
  - employer retirement credits;
  - retirement credits from the self-employed;
  - purchases;
  - contributions to finance early retirement;
  - repayments of withdrawals in connection with the encouragement of home ownership;
  - any pension-sharing settlements received following a divorce or the judicial dissolution of a registered partnership;
  - repurchases made following a divorce;
  - interest.
- 4 The following shall be charged to the pensions assets:
  - withdrawals in connection with the encouragement of home ownership;

- partial withdrawals (pension-sharing payments) made following a divorce or the judicial dissolution of a registered partnership;
  - withdrawals for partial retirement;
  - capital for financing retirement and survivors' benefits when they fall due;
  - fees and costs charged by the Foundation, agents and representatives in accordance with the Fee Schedule or by written agreement.
- 5 The amount of the annual retirement credits shall be stipulated in the benefits scheme.
  - 6 In case of full disability (entitlement to a whole disability pension), retirement credits shall continue to be paid for the duration of the disability until the reference age. Retirement credits shall be based on the insured salary at the onset of the incapacity for work. In case of partial disability, the Foundation shall apportion the pension assets according to the degree of disability (in percentage shares of the whole pension). The disability portion of the pension assets shall be maintained as for a fully disabled member and the active portion of the pension assets shall be maintained as for an active member.
  - 7 Interest shall be computed on the pension assets at the end of the preceding year and credited to the pension assets at the end of each calendar year.
  - 8 Entry transfers and voluntary contributions shall bear interest on a pro rata basis in the year they are made.
  - 9 If an insured event occurs or a member leaves the pension fund in the course of the year because he has reached the reference age or his employment contract has been terminated, interest shall be calculated on a pro rata basis.
  - 10 The Board of Trustees shall set the interest rate every year. The interest rate for extra-mandatory benefits may deviate from the BVG/LPP rate.

## Art. 12 Reference ages for entitlement to benefits

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- 1 For admission to coverage and for the calculation of the retirement credits and contributions, and of the minimum vested termination benefit in the event of leaving the Foundation, the reference age shall be the difference between the current calendar year and the year of the member's birth.
- 2 The regulatory reference age shall be set in the benefits scheme of each pension fund. Members shall be entitled to retirement benefits on reaching the regulatory reference age.
- 3 Retirement benefits may be withdrawn in full or in part in accordance with Article 14(1) to (4) and Article 15, and pension coverage may be continued in accordance with Article 14(6). The reference age shall be deemed to have been reached to the extent retirement benefits are drawn.

- 4 The early retirement age set in the benefits scheme may not be less than the age of 58. Exceptions to the minimum early retirement age shall be possible in case of corporate restructuring or on grounds of public safety within the meaning of Article 11(2) BVV 2/OPP 2.
- 5 Risk coverage (disability and contribution waiver) shall cease at the latest when a member reaches the AHVG/LAVS reference age. Notwithstanding, an additional lump-sum death benefit may be due under the benefits scheme in accordance with Article 24(3). Where retirement is deferred beyond the AHVG/LAVS reference age, the disability risk insurance shall be in accordance with Article 14(5).

## Art. 13 Children eligible for a pension

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- 1 The children eligible for a pension are:
  - a member's own children and his adopted children;
  - a member's foster children entitled to a pension in accordance with the AHV/AVS;
  - a member's step-children who are entirely dependent or significantly dependent on the member.
- 2 Unless otherwise provided in the benefits scheme, the age limit for a child's entitlement to a pension shall be 18.
- 3 Children at school or in training, or who are at least 70% disabled, shall remain eligible for a pension after that age, but not beyond their 25<sup>th</sup> birthday.
- 4 A child's eligibility to a pension shall expire at his death.

## Retirement benefits

### Art. 14 Retirement pension

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- 1 Members shall be entitled to a normal retirement pension from the first day of the month after they reach the regulatory reference age. The entitlement shall end at the end of the month coinciding with the member's death.
- 2 The amount of the annual retirement pension shall correspond to the available pension assets at the retirement date, multiplied by the conversion rate applicable at that time in accordance with Annex II.
- 3 A member whose pension relationship is terminated after he reaches the permitted age for early retirement under the benefits scheme but before the regulatory reference age may apply to receive a retirement benefit. Otherwise, a termination payment shall be due in accordance with Article 33(2). The amount of the retirement pension in the event of early retirement shall correspond to the available pension assets or, in the event of partial early retirement, to the relevant portion thereof at the early retirement date, multiplied by the conversion rate applicable at that time for the relevant reference age.

4 Members who reduce their degree of employment after reaching the permitted age for early retirement may apply for partial retirement with staggered payment of retirement benefits. The portion of their pension assets corresponding to the partial retirement is the reference basis for calculating the partial retirement pension or the partial retirement lump-sum benefit. Partial retirement is allowed in a maximum of three steps provided that:

- the first partial retirement step must correspond to at least 20% of the retirement benefit;
- the full retirement benefit may be withdrawn if the residual insured salary falls below the threshold salary in Article 2(1) BVG/LPP; and
- the share of the retirement benefit withdrawn in a partial retirement step before the regulatory reference age may not be higher than the share of the corresponding reduction in salary.

No more than three lump-sum withdrawals may be made. This also applies when the salary earned from a single employer is insured with several occupational benefits institutions. A lump-sum benefit (one step) comprises all retirement benefits drawn as lump-sum capital in a single calendar year. The degree of employment may not subsequently be raised again. Once retirement benefits have been partially withdrawn, purchases shall only be permitted based on the reduced salary or income.

5 Members who remain gainfully employed after reaching the reference age may defer their retirement benefit until they give up gainful employment, but at the latest until the age of:

- 70 for men and women born in 1964 or later;
- 69 years and nine months for women born in 1963;
- 69 years and six months for women born in 1962;
- 69 years and three months for women born in 1961; and
- 69 for women born in 1960 and earlier.

Members who defer retirement shall no longer be entitled to a disability pension. If a member ceases gainful employment following illness or an accident during the period of deferred retirement, only retirement benefits shall be paid to the exclusion of disability benefits. Benefits shall be calculated based on the pension assets available when gainful employment ceased and, if payment is in the form of a pension, the conversion rate applicable at that time in accordance with Annex II.

6 At the member's request, the Foundation shall continue his benefits coverage unchanged at the latest until he reaches the reference age, provided that after the member turns 58 his salary is not reduced by more than half and he does not join any other occupational benefits institution. In addition to his personal contribution for continued coverage of his previous insured salary, the member shall pay the difference in the employer's contribution compared with the previous insured salary. The employer shall collect the contributions. In case of continued coverage of the previous insured salary, partial retirement in accordance with paragraph 4 shall be excluded.

7 When a member receiving a disability pension reaches the reference age, the disability pension shall be replaced by a

retirement pension. The amount of the annual retirement pension shall correspond to the available pension assets at the reference age, multiplied by the conversion rate applicable at that time. The retirement pension shall be at least equal to the BVG/LPP disability pension.

8 Members contemplating retirement (regulatory, early, partial or deferred) shall notify the Foundation by completing and signing the relevant form at least 3 months before the start of the claim to the (partial) retirement benefit.

## Art. 15 Retirement lump-sum capital

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1 At retirement, a member may apply to receive all or a portion, at his free choice, of his retirement savings capital as a lump-sum payment instead of a pension. In the event of partial retirement, the portion of pension assets corresponding to the partial retirement may also be withdrawn as a lump-sum (partial retirement lump-sum capital).

2 The benefits deriving from voluntary purchases made in the 3 years preceding a member's retirement may only be drawn as a pension.

3 To withdraw a full or partial retirement lump-sum benefit, members shall file the relevant application in writing at least 3 months before the start of the entitlement to a retirement pension. Applications filed earlier may be revoked in writing until that time. If the member is married or bound by a registered partnership, the withdrawal of lump-sum capital shall require the written consent of his spouse or registered partner, whose signature must be officially certified.

4 If immediately prior to retirement, the member is entitled to a disability pension, a lump-sum withdrawal in accordance with Article 15(1) shall also be possible.

5 The disbursement of the available pension assets as a lump-sum shall extinguish all regulatory entitlements. If a member only withdraws a portion of his pension assets as a lump-sum and the rest as a retirement pension, the corresponding rever-sionary benefits shall be based on the reduced retirement pension.

## Art. 16 Pensioner's child pension

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1 The entitlement to a pensioner's child pension shall start when a member draws a retirement pension, provided he has eligible children within the meaning of Article 13.

2 The entitlement shall end as soon as the eligibility criteria under Article 13 are no longer satisfied, or at the member's death.

3 The amount of the annual pensioner's child pension shall be specified in the benefits scheme. Pensioners' child pensions are calculated following the same rules as retirement pensions.

## Disability benefits

### Art. 17 Disability pension

- 1 A member shall be deemed disabled when he is recognised as disabled within the meaning of the IV/AI.
- 2 The Foundation may at any time demand further information and evidence about the state of health of a member who is disabled or incapacitated for work, and may ask for a medical opinion or medical examination.
- 3 As a rule, the Foundation shall determine the degree of disability based on the decision of the IV/AI office. The Foundation may also rely upon the diagnosis of its medical advisor and the employer's reports.
- 4 Entitlement to disability benefits presupposes that the member is at least 40% disabled and was insured with the Foundation based on these Regulations at the onset of the incapacity for work, the cause of which led to his disability. For insured persons with a congenital disease pursuant to Article 23b BVG/LPP and for members who became disabled before coming of age pursuant to Article 23c BVG/LPP, the disability pension shall be paid within the limits of the statutory BVG/LPP minimum benefits.
- 5 Entitlement to a disability pension shall not start on expiry of the time limit under paragraph 6 as long as the member is receiving his full salary or a daily allowance under the health or accident insurance. Payment of the disability pension shall start at the earliest on the same date as the payment of the IV/AI disability pension.
- 6 The waiting period shall correspond to the actual period of disability or incapacity for work, which must elapse before the start of the entitlement to benefits. The waiting period shall be specified in the benefits scheme. If the waiting period is 24 months and if, in the event of incapacity for work as a result of illness, the daily sickness allowance is not paid for a period of 24 months, the disability pension and disabled member's child pensions shall be paid from the day on which the daily sickness allowance ceases, but at the earliest from the start of the entitlement to an IV/AI pension.
- 7 A member who is at least 70% disabled shall qualify as fully disabled. A member whose disability is less than 70% but at least 40% shall qualify as partially disabled.
- 8 Disability benefits shall be expressed as a percentage entitlement to a whole disability pension and paid according to the following scale:

Degree of incapacity for work or disability in %	Disability benefit in % (pension entitlement)
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

For a degree of disability between 50% and 69%, the percentage share is equal to the degree of disability:

Degree of incapacity for work or disability in %	Disability benefit in % (pension entitlement)
50	50
51	51
... (etc)	... (etc)
69	69

For a degree of disability of 70% and over, members are entitled to a whole disability pension:

Degree of incapacity for work or disability in %	Disability benefit in % (pension entitlement)
From 70	100

- 9 Entitlement to a disability pension shall cease, subject to temporary maintenance of insurance in accordance with Article 26a BVG/LPP, if
  - the degree of disability falls below 40% or the IV/AI cancels its pension benefits (from the end date);
  - the member is reinstated (incapacity for work is eliminated);
  - the member dies; or
  - the member reaches the reference age. After the reference age, the disability pension shall be replaced by a retirement pension.
- 10 Changes in the degree of disability shall be subject to review, and benefit entitlements shall be adjusted accordingly. Once it has been set, a disability pension can only be increased, decreased, or cancelled if the degree of disability changes by more than 5 percentage points. If, following a reduction in the degree of disability, too much was paid by way of benefits, the excess amount shall be repaid. An increase in the degree of disability shall only be taken into account if it occurs before the expiry of the additional coverage period in accordance with Article 4(13). For minimum BVG/LPP benefits, the increase shall be taken into account even after expiry of the

period of continued coverage if the ground for the increase is the same as that which led to the original incapacitation.

11 If coverage is temporarily maintained in accordance with Article 26a BVG/LPP, the Foundation shall reduce its disability pension in line with the member's reduced degree of disability, provided that the reduction is compensated by additional income earned by the member.

12 The amount of the whole annual disability pension for full disability shall be set in the benefits scheme. The minimum amount shall correspond to the statutory BVG/LPP disability pension.

## Art. 18 Disabled member's child pension

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1 Entitlement to a disabled member's child pension shall start at the same time as the member's entitlement to a disability pension and provided the member's children are eligible for a pension under Article 13.

2 The disabled member's child pension shall be payable from the same date as the disability pension. The entitlement to a pension shall end with the end of the entitlement to a disability pension, but at the latest when the child is no longer eligible for a pension under Article 13.

3 The amount of the whole annual disabled member's child pension in case of full disability shall be specified in the benefits scheme. The minimum amount shall correspond to 20% of the statutory BVG/LPP disability pension. For members entitled to a partial disability pension, the disabled member's child pension determined for full disability shall be granted in accordance with the disability benefit scale (percentage share of pension entitlement) in Article 17(8).

## Art. 19 Contribution waiver

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1 The member and the employer shall be released from the obligation to contribute to retirement credits (savings contributions) and to pay risk contributions for the duration of the contribution waiver.

2 To be entitled to a contribution waiver, a member must have an incapacity for work of at least 40% and must have been insured under these Regulations at the onset of the incapacity for work.

3 According to the benefits scheme the entitlement to a contribution waiver shall start upon expiry of the regulatory waiting period.

4 Entitlement to a disability pension shall cease, subject to temporary maintenance of insurance in accordance with Article 26a BVG/LPP, if:

- the IV/AI cancels its pension benefits (from the end date) or issues a decision denying IV/AI benefits (from the date of the decision);

- the member is reinstated (his incapacity for work is eliminated);
- the member reaches the reference age; or
- the member dies.

5 Members with a partial incapacity for work or partially disabled members shall be entitled to a partial contribution waiver. The percentage of contribution waiver shall correspond to the disability benefit scale (percentage share of pension entitlement) in Article 17(8). For this purpose, the insured salary at the start of the incapacity for work is weighted by the pension entitlement. An incapacity for work or a disability of less than 40% does not entitle the member to a contribution waiver.

## Death benefits

### Art. 20 Spouse's or registered partner's pension

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1 **Basic coverage:** At his death, a member who is married or bound by a registered partnership shall be entitled to a pension for his surviving spouse or registered partner, if at this time the surviving spouse or registered partner

- must provide for the maintenance of at least 1 child; or
- is 45 or older, and the marriage or registered partnership has lasted at least 5 years.

If the surviving spouse or registered partner does not meet either condition, he shall be entitled to a single settlement equal to 3 annual spouse's or partner's pensions. Entitlement to a pension shall cease when the eligible beneficiary remarries or dies.

2 **Extended coverage:** At his death, a member who is married or bound by a registered partnership shall be entitled to a pension for his surviving spouse or registered partner. The entitlement shall end if the entitled beneficiary remarries before the age of 45, or when he dies. If the surviving spouse or partner remarries before his 45<sup>th</sup> birthday, a one-off settlement equal to 3 annual spouse's or partner's pensions shall be paid.

3 The benefits scheme shall specify if basic coverage is granted instead of extended coverage.

4 If a married member, or a member bound by a registered partnership, or a disabled member dies before he reaches the reference age, a spouse's pension or a partner's pension shall be insured in favour of the surviving spouse or registered partner, as the case may be. The amount of the spouse's and partner's pension shall be specified in the benefits scheme. If a member dies while retirement benefits are deferred, the spouse's or partner's pension shall equal 60% of the retirement pension to which the deceased would have been entitled.

5 If, at the time of his death, the member was drawing a retirement pension from the Foundation, the surviving spouse or registered partner shall be entitled to a spouse's or partner's pension, as the case may be, equal to 60% of the last paid or last insured retirement pension. Pension portions allocated to the beneficiary spouse under a pension-sharing order

pursuant to Article 124a ZGB/CC shall not be included in the last paid or last insured retirement pension.

- 6 The spouse's or partner's pension shall begin on the day after the death of the married member or member bound by a registered partnership, but not before the end of the entitlement to continued payment of the full salary or, in the case of retired or disabled pensioners, at the earliest on the first day of the month after the pension payments cease.
- 7 If the surviving spouse or partner is more than 10 years younger than the deceased member, the spouse's or partner's pension shall be reduced by 1% of its amount for each full year or fraction of a year exceeding 10 years' age difference.
- 8 If the marriage was contracted or the partnership registered after the member's 65<sup>th</sup> birthday (for men; for women born in 1964 or later), or 64<sup>th</sup> birthday (women born in 1963 or earlier) the spouse's or partner's pension shall be reduced by the following percentages:

age at marriage or registration of partnership:

	Women born in 1963 or later	Men; Women born in 1964 or earlier
65 <sup>th</sup> year of age:	80%	
66 <sup>th</sup> year of age:	60%	80%
67 <sup>th</sup> year of age:	40%	60%
68 <sup>th</sup> year of age:	20%	40%
69 <sup>th</sup> year of age:	0%	20%
70 <sup>th</sup> year of age or later:	0%	0%

- 9 No spouse's or partner's pension shall be due if, at the time of the marriage or registration of partnership, the member was age 65 (men; women born in 1964 or later) or 64 (women born in 1963 or earlier) and was suffering from a serious illness of which he was aware and from which he dies within two years of the marriage or registration of partnership.
- 10 The minimum legal benefits shall in any event be guaranteed.
- 11 The surviving spouse or registered partner may apply to receive a lump-sum settlement instead of a spouse's or partner's pension. The settlement shall be equal to the mathematical reserve. The application for a lump-sum settlement must be addressed to the Board of Trustees in writing before the first pension payment, otherwise the right shall be forfeited. Payment of the lump-sum capital settlement shall extinguish any entitlement to further regulatory benefits, subject to due payment of orphans' pensions.

## Art. 21 Partner's pension (non-registered partner)

- 1 If an active or disabled member living in a partnership qualifying for entitlement to a partner's pension in accordance with paragraph 2 dies (before retirement), the surviving partner shall be entitled to a partner's pension if, at the time of death:
  - he must provide for the maintenance of at least 1 child; or
  - he is older than 45.

- 2 The entitlement to a partner's pension shall only exist if, at the member's death:
  - a) both partners were unmarried and were not bound by a registered partnership (PartG/LPart); and
  - b) the partners were not related to each other; and
  - c) in the last 5 years before the member's death, the partners uninterruptedly cohabited and shared a common life; or the surviving partner was significantly dependent on the member, or must provide maintenance for 1 or more of the couple's children; and
  - d) the surviving partner is not drawing a spouse's or partner's pension from any Swiss or foreign occupational benefits institution; and
  - e) the member designated the partnership to the Foundation electronically (via the online portal) or in writing during his lifetime.
- 3 The type of coverage chosen for the spouse's pension shall also apply to the partner's pension. The amount of the partner's pension shall equal the amount of the spouse's pension.
- 4 The provisions of Article 20(6) concerning the start of a pension and of Article 20(7) to (9) concerning the reduction and the end of a pension shall apply analogously to the partner's pension. In this regard, instead of the marriage date, the start of the partnership shall apply.
- 5 The surviving partner may apply to receive a lump-sum settlement instead of a partner's pension. The settlement shall be equal to the mathematical reserve. The application for a lump-sum settlement must be addressed to the Board of Trustees in writing before the first pension payment, otherwise the right shall be forfeited. Payment of the one-off settlement shall extinguish any entitlement to further regulatory benefits, subject to due payment of any orphans' pensions.

## Art. 22 Entitlement of a divorced spouse or a former registered partner

- 1 The divorced spouse shall be treated in the same way as the spouse if he was awarded a pension under the divorce decree in accordance with Article 124e(1) or Article 126(1) ZGB/CC, and the marriage lasted at least 10 years. If the divorced spouse was awarded a pension-sharing settlement under the divorce decree in accordance with Article 124a ZGB/CC, there shall be no entitlement. Notwithstanding, the transitional provision on the BVV 2/OPP 2 amendment of 10 June 2016 may apply.
- 2 The pension shall equal the minimum BVG/LPP pension at the most. The pension can be reduced by the amount by which, together with the survivors' benefits under AHV/IV//AVS/AI, it exceeds the claim under the divorce decree or decision dissolving the registered partnership. Survivors' AHV/IV//AVS/AI pensions shall only be taken into account to the extent that they are higher than their own entitlement to an IV/AI disability pension or an AHV/AVS retirement pension.



- 3 Payment of a lump-sum settlement in accordance with Article 20(1), 20(2) or 20(11) shall be excluded, and there shall be no entitlement to a lump-sum death benefit under Article 24.
- 4 Entitlement to a divorced spouse's pension shall exist provided the pension would have been due under the divorce decree in accordance with paragraph 1, but at the latest until the death of the divorced spouse.
- 5 The dissolution of a registered partnership by a court shall be treated in the same way as a divorce; the condition under paragraph 1 that a pension be awarded by a court ruling shall be in accordance with Article 124e(1) ZGB/CC or Article 34(2) and 34(3) PartG/LPart.

## Art. 23 Orphan's pension

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- 1 At his death, a member shall be entitled to an orphan's pension for his children eligible for a pension in accordance with Article 13.
- 2 Entitlement to an orphan's pension shall start on the day after the member's death but not before the end of the entitlement to continued payment of the member's full salary or disability or retirement pension. Entitlement shall cease as soon as the child no longer satisfies the eligibility criteria for a pension under Article 13.
- 3 The amount of the orphan's annual pension shall be specified in the benefits scheme. If a member dies while retirement benefits are deferred, the orphan's pension shall equal 20% of the retirement pension to which the deceased would have been entitled.

## Art. 24 Lump-sum death benefit

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- 1 Entitlement to a lump-sum death benefit shall exist if the member dies before reaching the regulatory reference age, provided and insofar as the available pension assets are not needed to finance death benefits in accordance with Articles 20 to 23. The lump-sum death benefit shall correspond to the pension assets available at the member's death in accordance with Article 11 provided the reinsurer does not need such assets to fund the benefits. The foregoing is subject to other provisions in the benefits scheme, in particular with regard to purchases of missing contribution years during the insurance term in accordance with Article 40, and the prefinancing of early retirement in accordance with Article 41, which shall not be applied to financing benefits in accordance with Articles 20 to 23 but shall be directly applied to the lump-sum death benefit.
- 2 The amount of the lump-sum death benefit shall be specified in the benefits scheme.
- 3 **Supplementary lump-sum death benefit:** a supplementary lump-sum death benefit may also be insured under the benefits scheme, at the latest until the age of:

- 70 for men and women born in 1964 or later;
- 69 years and nine months for women born in 1963;
- 69 years and six months for women born in 1962;
- 69 years and three months for women born in 1961; and
- 69 for women born in 1960 and earlier.

A supplementary lump-sum death benefit may only be insured beyond the AHVG/LAVS reference age if it was already insured before the reference age in the benefits scheme. The supplementary lump-sum death benefit shall be paid to the beneficiaries in accordance with paragraph 4.

- 4 Irrespective of inheritance law, the following persons shall be entitled to the lump-sum death benefit under paragraph 1 and to the supplementary lump-sum death benefit, if any, under paragraph 3:
  - a) the member's spouse or registered partner; failing him:
  - b) the member's children eligible for a pension under Article 13; failing them:
  - c) natural persons who were significantly dependent upon the member, or the person who qualifies for entitlement to a partner's pension in accordance with Article 21(2), or who must maintain 1 or more of their own children; there shall be no entitlement for a person drawing a spouse's or partner's pension from a Swiss or foreign occupational benefits institution; failing them:
  - d) the member's other children who are not eligible for a pension under Article 13; failing them
  - e) parents; failing them:
  - f) brothers and sisters; failing them:
  - g) the other legal heirs, excluding public bodies.
- 5 The beneficiaries designated in paragraph 4a to 4d shall be entitled to the full lump-sum death benefit. The beneficiaries designated under paragraph 4g shall be entitled to the higher of:
  - 50% of the pension assets plus the supplementary lump-sum death benefit, or
  - the member's personal contributions.The residual amount, if any, shall be credited to the pension fund's non-committed assets.
- 6 The entitlement referred to in paragraph 4c is subject to the condition that the member shall have designated the persons concerned to the Foundation electronically (via the online portal) or in writing during his lifetime.
- 7 A member may, electronically (via the online portal) or by written notice to the Foundation determine the proportional distribution among the entitled persons within the individual classes of beneficiary. He may also:
  - extend the circle of beneficiaries under paragraph 4(a) to include persons under paragraph 4(b) and (c);
  - extend the circle of beneficiaries under paragraph 4(b) to include persons under paragraph 4(c); and
  - extend the circle of beneficiaries under paragraph 4(d) to include persons under paragraph 4(e) and (f); or
  - change the order of the classes of beneficiary under paragraph 4d to 4f.

The electronic (via the online portal) or written notice must be received by the Foundation during the member's lifetime. The member may revoke his notice at any time in writing or by will (with specific reference to occupational benefits).

- 8 In the absence of an electronic (via the online portal) or written notice from the member with instructions for the distribution of the lump-sum death benefit, the distribution among several parties within the same class of beneficiary shall be in equal shares.
- 9 If there are no beneficiaries in any classes under paragraph 4, the lump-sum death benefit (pension assets) shall be allocated to the non-committed assets of the pension fund.

## General provisions on benefits

### Art. 25 Payment of benefits

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- 1 Regulatory benefits shall be paid within 90 days of receipt by the Foundation of the necessary substantiation, especially in the case of lump-sum benefits and, unless otherwise provided in Article 14 et seq., for benefits payable in the form of a pension. Termination payments due in accordance with Article 33 shall be payable within 30 days of receipt by the Foundation of all requisite substantiation.
- 2 Members or beneficiaries shall deliver to the Foundation all necessary documents to substantiate their claim. If benefits have been pledged, cash disbursements shall be subject to the written consent of the pledgeholder. The Foundation may demand proof of entitlement at any time. In particular, the Foundation may require a life statement to be produced before disbursing a pension. If the requisite proof is not produced, the Foundation may stop the payment of benefits.
- 3 Pensions which are due and payable shall be paid in monthly instalments at the beginning of the month to the account communicated to the Foundation. If the Foundation's payment obligation starts during a month, the Foundation shall pay the pro rata amount. When the payment obligation ends, the pension shall be due for the entire month. In the event of a change in the degree of disability, settlement shall be made to the exact day.
- 4 Pursuant to Article 124a ZGB/CC, in the event of a divorce or the dissolution by a court of a registered partnership, pensions plus interest in accordance with Article 19j FZV/LFLP shall be transferred to the occupational or vested benefits institution of the beneficiary spouse by 15 December of the relevant year.
- 5 If, at the retirement date, a member's annual retirement pension or, in the case of an entitlement to a whole pension, his disability pension, is less than 10%, the spouse's pension or partner's pension less than 6% and the child's pension less than 2% of the minimum simple AHV/AVS pension, an equivalent lump-sum capital benefit calculated in accordance with actuarial rules shall be paid in lieu of the pension. Such payment shall be made in full and final settlement of all regulatory claims.

- 6 Beneficiaries who are foreign residents shall first be required to produce a confirmation of residence abroad. Payment shall be made to the bank or post office account in Switzerland designated by the beneficiary. If payments are made abroad, the actual costs shall be charged.
- 7 Pension benefits shall be paid in Swiss Francs.
- 8 If the Foundation is required to pay default interest, it shall be paid at the minimum BVG/LPP interest rate. Termination payments in accordance with Article 33 et seq. shall be subject to default interest in accordance with Article 2(4) FZG/LFLP.
- 9 If a member neglects his maintenance obligations, the Foundation may be obligated to notify the official agency designated by the canton when a lump-sum benefit falls due. The official agency may subsequently initiate proceedings to secure payment of the maintenance obligations (Article 40 BVG/LPP). For as long as a lump-sum benefit cannot be paid by reason of a notification and the blocking period under Article 40(6) BVG/LPP, or because subsequent proceedings have been initiated to secure maintenance payments, no default interest shall be due.

### Art. 26 Repayment of improperly received benefits

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Benefits that are improperly received shall be repaid with interest. Repayment may be waived if the beneficiary acted in good faith and repayment would cause great hardship. The decision shall lie with the Board of Trustees.

### Art. 27 Reduction and coordination rules

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- 1 The benefits payable by the Foundation shall be payable in addition to any benefits paid by Swiss or foreign social security and occupational benefits institutions. If benefits are due under UVG/LAA accident insurance or MVG/LAM military insurance in respect of the same insured event, the Foundation shall reduce the benefits payable under these Regulations to the minimum legal benefits.
- 2 If the death and disability benefits payable by the Foundation together with other benefits of the same kind and purpose, such as those payable by:
  - the AVS/AHV and AI/IV;
  - compulsory accident insurance;
  - federal military insurance;
  - foreign social security;
  - an insurance company to which the employer, or the Foundation in the latter's stead, have paid premiums;
  - other occupational benefit institutions and – provided these were not financed by the member in the framework of a supplemental insurance for death and disability risks within the meaning of Article 10(3) FZV/OLP – vested benefit institutions;together with other income entering into account, such as
  - in the case of a disabled pensioner, any gross income or replacement income actually earned or which could reasonably be earned from work that could reasonably be required of him, as well as any payments from liable third parties and any unemployment benefits;

- any pension-sharing amounts payable to the divorced spouse or former registered partner under a divorce decree or court dissolution of a registered partnership; exceed 90% of the presumable loss of earnings before death or the onset of the incapacity for work, the benefits payable by the Foundation shall be reduced by the amount of the excess benefits.
- 3 If benefits are due under UVG/LAA accident insurance or MVG/LAM military insurance in respect of the same insured event, the retirement benefits shall be reduced analogously to paragraph 2. Helplessness allowances, personal injury indemnities, additional income earned during participation in rehabilitation measures in accordance with Article 8a IVG/LAI, as well as benefits payable to the surviving spouse and orphans pursuant to Article 54 MVG/LAM shall not be taken into account in case of insufficient benefits. The income of the surviving spouse or registered partner and orphans shall be cumulative. If benefits are reduced, all benefits shall be reduced in the same proportion.
- 4 Any lump-sum benefits entering into account shall be converted into equivalent pensions applying the pension conversion values of the respective Swiss and foreign social security and occupational benefits institutions.
- 5 The Foundation may reduce its benefits if the member or the beneficiary contributed significantly to the member's death or disability, or if the member refuses rehabilitation measures imposed by the IV/AI. The Foundation may refuse benefits to an entitled person and shall not be bound by the member's written designation if the entitled person caused, or attempted to cause, intentionally and unlawfully, the member's death or disability. Minimum BVG/LPP legal benefits can only be denied or reduced if the AHV/IV//AVS/AI reduces, withdraws or denies benefits.
- 6 The Foundation shall not compensate benefits denied or reduced by the compulsory accident insurance or the military insurance if the denial or reduction was decided in application of Article 21 ATSG/LPGA, Articles 37 and 39 UVG/LAA or Articles 65 or 66 MVG/LAM. Neither shall the Foundation be obliged to compensate any reduction in other benefits after the reference age pursuant to the AHVG/LAVS (in particular pursuant to Article 20(2ter) and (2quater) UVG/LAA and Article 47(1) MVG/LAM), or the reduction or denial of other benefits due to fault.

## Art. 28 Claims against liable third parties

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Upon the occurrence of an insured event, the Foundation shall be subrogated to the member, his survivors and any other beneficiaries pursuant to these Regulations, up to the amount of the legal benefits, with respect to their claims vis à vis any third-party liable for the insured event. The member or the entitled person (with entitlement to extra-mandatory disability or survivor's benefits) shall assign his claims against liable third parties to the Foundation up to the amount of the Foundation's liability for benefits. The Foundation shall suspend benefits

pending the assignment of such rights by the entitled parties. If the Foundation is successful in asserting claims against liable third parties, such claims shall not be taken into account in calculating the reduction in accordance with Article 27(2).

## Art. 29 Adjustment to pensions in payment to the cost of living

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- 1 Statutory survivor and disability pensions, which have been in payment for over 3 years, shall be adjusted for changes in the cost of living in accordance with the decisions of the Federal Council until the reference age is reached.
- 2 Survivor and disability pensions, which do not have to be adjusted to changes in the cost of living pursuant to paragraph 1, and retirement pensions shall be adjusted to the cost of living within the limits of the Foundation's financial capabilities. Each year, the Board of Trustees shall decide whether or not to adjust pensions and to what extent.

## Art. 30 Set-off

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The Foundation's claims may be offset against benefits that are due and payable. Entitlement to benefits from the Foundation may only be offset against claims assigned to the Foundation by the employer if such claims relate to contributions not deducted from the member's salary.

## Art. 31 Prohibition of assignment and pledges

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The entitlement to benefits from the Foundation may not be assigned or pledged before the benefits fall due. Notwithstanding, the provisions on the use of pension assets for the encouragement of home ownership and the transfer of pension assets in the case of a divorce or the dissolution by a court of a registered partnership may apply.

## Art. 32 Advancing benefits

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If the Foundation has a legal obligation to advance benefits, the obligation shall be limited to the minimum BVG/LPP benefits. The member shall show that he has registered with all the relevant insurance institutions. If the case is taken over by another insurer, the latter shall repay to the Foundation any benefits advanced. The Foundation reserves the right to claim repayment of the benefits in accordance with Article 26.

## Termination payments

### Art. 33 Termination payments (vested termination benefits)

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#### Entitlement to termination payments

- 1 Members who leave the Foundation for reasons other than the occurrence of an insured event (retirement, death or disability) shall be entitled to a termination payment. Article 26a BVG/LPP on provisional maintenance of coverage and Article 3(12) et seq. on voluntary maintenance of insurance may apply. The

termination payment shall be transferred to the member's new occupational benefits institution.

- Members who leave the Foundation before they reach the regulatory reference age but after reaching the regulatory early retirement age under the benefits scheme shall be entitled to a termination payment if they remain in gainful employment or register for unemployment benefits (subject to Article 2(1) FZG/LFLP) provided they do not apply for voluntary maintenance of insurance under Article 12(3) et seq. or for a retirement benefit (Articles 14/15).
- Partially disabled members shall be entitled to a termination payment corresponding to the active portion of their pension assets. If they subsequently recover their full working capacity and are reemployed by the employer, they shall be entitled to a termination payment also in respect of the portion under maintained coverage. Members whose IV/AI pension is reduced or cancelled shall also be entitled to a termination payment at the end of the period of temporary maintenance of insurance and entitlement to benefits under Article 26a BVG/LPP.

#### Amount of vested termination payments

- The termination payment shall be calculated in accordance with Article 15 FZG/LFLP. It shall correspond to the pension assets available when the member leaves the Foundation.
- If the accrued retirement savings capital calculated in accordance with the BVG/LPP or the minimum amount referred to in Article 17 FZG/LFLP exceeds the termination payment calculated in accordance with paragraph 4, the higher of these 3 amounts shall be paid by way of termination payment.
- If the Foundation is obliged to pay benefits (death or disability benefits) after it has transferred the termination payment, it shall claim repayment of the amount paid. If repayment is not forthcoming, the survivors' and disability benefits shall be reduced.

#### Use of termination payments

- The termination payment shall be transferred for the account of the outgoing member to his new occupational benefits institution in Switzerland or Liechtenstein. If the member does not join a new occupational benefits institution, the termination payment shall be used to open a vested benefits account or purchase a vested benefits policy from a vested benefits institution in Switzerland, subject to a possible cash payment in accordance with Article 34.
- When he leaves the Foundation, a member shall notify the Foundation of the permissible form in which he wishes to maintain his pension entitlements. This notice must be received by the Foundation no later than 6 months after the member leaves the Foundation. The general provisions of Article 25 shall otherwise apply with regard to the maturity and payment of termination benefits.

- Failing such notice within 6 months of leaving, the termination benefits shall be transferred to the BVG/LPP Substitute Occupational Benefit Institution.

#### Art. 34 Cash payment

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- A member who leaves the Foundation may apply to withdraw his termination payment in cash, if:
  - the outgoing member leaves the Switzerland-Liechtenstein economic area permanently. Members who move to an EU/EFTA member state and are subject to mandatory retirement, death and disability coverage there in accordance with legal requirements shall not be entitled to cash in the BVG/LPP portion of their retirement savings capital; or
  - the outgoing member becomes self-employed and is no longer subject to mandatory occupational benefits coverage under the BVG/LPP; or
  - the outgoing member is self-employed and insured on a voluntary basis, and uses the termination payment for investments in his business; or
  - the termination payment is less than the outgoing member's regulatory annual contribution.
- Outgoing members shall provide the requisite proof for the cash payment.
- Vested termination benefits deriving from voluntary purchases may not be paid out in cash in the 3 years after the purchases were made.
- Members who are married or living in a registered partnership may not withdraw their pension assets in cash without the officially certified written consent of their spouse or registered partner.
- If the termination payment is pledged, cash payments shall be subject to the written consent of the pledgeholder.

#### Other benefits

#### Art. 35 Encouragement of home ownership

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- A member may apply for a withdrawal to finance the purchase of a residential property for his own use up to 3 years before the start of his entitlement to a retirement pension or until the occurrence of an insured event (death or disability).
- Subject to the same time limit, a member may pledge his entire entitlement to pension or vested termination benefits, or a portion thereof, to finance the purchase of a residential property for his own use. To be valid, a pledge must be notified to the Foundation in writing.
- Members who are over the age of 50 may not withdraw or pledge more than the termination payment to which they would have been entitled at the age of 50, or half the termination payment at the time of the withdrawal or pledge.

- 4 In case of underfunding, the Foundation may defer the requested withdrawal for home ownership for no more than 2 years.
  - 5 A withdrawal shall have the effect of reducing the member's pension assets. The benefits depending thereon shall be reduced accordingly. There is no reduction in benefits in the case of a pledge. The enforcement of a pledge shall have the same effects as a withdrawal.
  - 6 If the amount withdrawn or enforced under a pledge is fully or partially repaid, the repayment shall be credited to the member's retirement savings capital. Withdrawals may be fully or partially repaid at any time before the start of the entitlement to retirement benefits, or until the occurrence of an insured disability, or until death, but at the latest until the member leaves the Foundation.
  - 7 The member must prove that the conditions for the use of the requested withdrawal are satisfied under the encouragement of home ownership scheme. If the member is married or bound by a registered partnership, the withdrawal, each subsequent creation of a mortgage lien and any pledge shall be subject to the consent of the spouse or registered partner by means of an officially certified signature.
  - 8 Withdrawals, repayments of withdrawals, and pledges for the financing of home ownership shall be governed by the statutory provisions on the use of pension assets for the encouragement of home ownership (Article 30a et seq. BVG/LPP, Article 331d et seq. OR/CO and the WEFV/OEPL).
- 2 Members shall be required to pay contributions as soon as they are admitted to the Foundation.
  - 3 The obligation to pay contributions shall cease at the member's death, but at the latest when the member takes full retirement or leaves the Foundation prematurely following the termination of his employment, or because his salary falls durably below the minimum salary referred to in Article 2(1) BVG/LPP provided the member has not contracted voluntary coverage of the lowest salary in accordance with Article 3(4). Contribution waivers may apply in the case of disability. Members who remain (fully or partially) gainfully employed beyond the reference age and who defer their retirement benefit shall continue paying savings contributions until they give up gainful employment, but at the latest until the age of:
    - 70 for men and women born in 1964 or later;
    - 69 years and nine months for women born in 1963;
    - 69 years and six months for women born in 1962;
    - 69 years and three months for women born in 1961; and
    - 69 for women born in 1960 and earlier.Members may apply to maintain pension coverage without contributions.
  - 4 The employer and the self-employed member shall deduct the members' contributions from their salaries in equal instalments and transfer them to the Foundation together with the employer's contribution, subject to Article 5 on unpaid leave and Article 3(12) et seq. on voluntary maintenance of insurance.
  - 5 The employer shall pay its contributions from its own funds or from any employer reserves set aside for that purpose.

#### **Art. 36 Divorce or dissolution of a registered partnership**

- 1 In the event of a divorce or the dissolution of a registered partnership by a court, the competent Swiss court shall decide how the pension entitlements acquired between the start of the marriage or registered partnership and the initiation of the divorce or dissolution proceedings shall be shared between the parties.
- 2 Only judgments of Swiss courts shall be recognised by the Foundation with regard to pension-sharing settlements.
- 3 Unless otherwise decided by a Swiss court, the provisions of Annex III on pension-sharing settlements shall apply to settlements following a divorce or the dissolution of a registered partnership.

## Funding

#### **Art. 37 Contributions and costs**

##### **Obligation to pay contributions**

- 1 The Foundation shall levy savings, risk and cost-coverage contributions and, if necessary, recovery contributions.

##### **Amount of contributions and costs**

- 6 The amount and composition of ordinary contributions shall be specified in the benefits scheme. The employer's contribution shall be at least equal to the total contributions of all members.
- 7 The contributions for special expenses and the other costs (fees and charges) in connection with the pension arrangement shall be specified in a separate Fee Schedule.

#### **Art. 38 BVG/LPP Guarantee Fund**

- 1 The Foundation is affiliated with the BVG/LPP Guarantee Fund.
- 2 The benefits scheme shall specify how Guarantee Fund contributions are funded.

#### **Art. 39 Entry transfers of termination benefits (buy-ins)**

- 1 Members shall be required to transfer their vested pension benefits from former pension plans (including any vested benefits accounts and policies) to the Foundation. Entry transfers of termination benefits shall be credited to the member's

pension assets. If the member's entry transfer of termination benefits exceeds the maximum possible pension assets for the purchase of full regulatory benefits in accordance with Article 40, the Foundation may return the surplus portion of the vested termination benefit and request that the member transfer that portion to a vested benefits institution.

- 2 Members may also arrange for any pension assets earned abroad in accordance with Article 60b(2) BVV 2/OPP 2 to be transferred directly to the Foundation by their foreign occupational benefits institution.

## Art. 40 Voluntary purchases

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- 1 As prescribed by law, members may purchase regulatory benefits to enhance their benefits coverage or to attain full regulatory benefits. The requisite purchase decision may be taken on joining the occupational benefits institution or later. The member shall submit the corresponding form to the Foundation for the calculation of the maximum permissible purchase amount.
- 2 The maximum purchasable amount shall correspond to the difference between the maximum permissible pension assets and the actual available pension assets on the date of the purchase. The maximum permissible pension assets shall correspond to the pension assets that would have accrued under the benefits scheme at the purchase date if contributions had been paid without interruption based on the current insured salary. The maximum permissible pension assets shall be calculated in accordance with the purchase table of the relevant benefits scheme, taking into account interest of maximum 2%. The maximum purchase amount is indicated in the pension statement.
- 3 The maximum purchase amount is reduced by the amount of any pillar 3a pension assets exceeding the statutory limits (Article 60a(2) BVV2/OPP2), and by the amount of any pension benefits which remain in the existing occupational benefits institution, or any vested pension benefits which the member was not required to transfer to the Foundation (Article 60a(3) BVV2/OPP2). For members who have already received retirement benefits from the Foundation or another occupational benefits institution and who subsequently take up gainful employment again or increase their degree of employment anew, the maximum purchase allowance is reduced by the amount of the retirement benefits already received (Article 60a(4) BVV2/OPP2). Further statutory or fiscal limits on purchases may apply.
- 4 Purchases shall be used to increase extra-mandatory pension assets. The particulars, i.e. how voluntary purchases are treated in the case of death benefits, shall be regulated in the benefits scheme.
- 5 If any withdrawals under the encouragement of home ownership scheme are outstanding, no purchases may be made until such withdrawals have been repaid (Article 79b BVG/LPP).

This restriction does not apply to purchases made in connection with a divorce or the dissolution by a court of a registered partnership.

- 6 In the case of members arriving from abroad who were not previously members of an occupational benefits institution in Switzerland, the annual voluntary purchase during the first 5 years of membership in a Swiss occupational benefits institution shall not exceed 20% of the insured salary. Once the 5-year time limit has lapsed, the member may purchase the full regulatory benefits. This restriction on purchases shall not apply to the transfer of foreign pension assets within the meaning of Article 39(2) as long as the member does not apply to deduct the amounts thus transferred from his direct federal, cantonal and municipal taxes.
- 7 Purchases may be made at the latest until the member's death, the start of incapacity for work leading to an entitlement to a whole disability pension or to death, or up to 3 years before full retirement. No purchases may be made during unpaid leave of absence within the meaning of Article 5. In the event of disability, purchases of the passive portion of the insurance are no longer possible. Members who have a purchase allowance and who remain gainfully employed after reaching the AHVG/LAVS reference age may continue to make purchases up to three years before full retirement, but only up to the maximum amount of the retirement savings capital at the AHVG/LAVS reference age. Purchases in the framework of a divorce or court dissolution of a registered partnership are the exception and are allowed.
- 8 If purchases were made, the benefits deriving from those purchases may not be withdrawn as a lump sum in the following 3 years. Death benefits and pension-sharing benefits following a divorce or court dissolution of a registered partnership shall be excepted (Article 79b BVG/LPP).
- 9 Within the limits prescribed by law, the employer may make purchases on a member's behalf. The preceding paragraphs shall apply mutatis mutandis.
- 10 The tax authorities' decision concerning the deductibility of personal purchases is reserved. The Foundation shall assume no liability in this respect.

## Art. 41 Financing early retirement

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- 1 A member may make additional contributions (purchases) to fully or partially compensate reductions in the event early retirement benefits are paid. Article 40 shall apply analogously.
- 2 Contributions for financing early retirement may only be made if the member has purchased the full regulatory benefits in accordance with Article 40 and if he has repaid any withdrawals in connection with the encouragement of home ownership.
- 3 The calculation shall be based on the difference in pension benefits at the regulatory reference age and at the early retirement

age to be communicated beforehand. The difference in pension shall be calculated applying the Foundation's actuarial tables or those of the relevant risk-bearing entity (Pool Invest or Mandate Invest accounting group).

- 4 If a member has fully or partially financed his early retirement savings but continues to work beyond the chosen early retirement date, the ordinary regulatory retirement credits will be reduced or suspended until the actual retirement date (at the latest when he reaches the regulatory reference age).
- 5 If the regulatory target benefit is overstepped by more than 5%, the excess amount shall be allocated to the Pension Fund's non-committed assets or those of the relevant risk-bearing entity (Pool Invest or Mandate Invest accounting group).

#### **Art. 42 Employer contribution reserves without declaration of renounced use**

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- 1 The employer may create voluntary employer contribution reserves, which shall be accounted separately.
- 2 Employer contribution reserves may not exceed 5 times the employer's ordinary contributions (employer's share).
- 3 At the employer's written request, the employer's regulatory contributions may be paid from the employer contribution reserves.
- 4 If the employer is in arrears with its regulatory contributions, its contributions shall be charged to the employer contribution reserves.
- 5 Employer contribution reserves shall be created, accounted and managed separately for each pension fund. They shall earn interest at the rate decided by the Board of Trustees.

#### **Art. 43 Employer contribution reserves with declaration of renounced use**

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In the event of collective underfunding at pension fund level, the employer may pay additional contributions up to the amount of the underfunding to a separate employer contribution reserve covered by a declaration of renounced use (Art. 65e BVG/LPP). Amounts may be transferred to these reserves from the employer contribution reserves without a declaration of renounced use. Once underfunding is eliminated, the reserves shall be dissolved (Article 44a(1) BVV 2/OPP 2).

## Other provisions

#### **Art. 44 Information to members**

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- 1 Each member shall be issued an insurance certificate at least once a year containing information about his insured salary, amount of insured benefits and contributions to the Foundation, as well as his BVG/LPP retirement savings capital and

total pension assets. In case of discrepancy between the benefits indicated on the insurance certificate and those defined in these Regulations or the benefits scheme, the Regulations or the benefits scheme, as the case may be, shall prevail.

- 2 Moreover, the Foundation shall inform members once a year about its financial statements, organisation and funding, and about the composition of the Board of Trustees.
- 3 At a member's request, the Foundation shall provide information about the return on capital, actuarial risk trends, administration costs, mathematical reserve calculation, provisions and reserves, and the funded status of the Foundation. On request, the pension fund committee shall provide information concerning the individual pension fund. Each member may ask the Foundation to communicate to him all his data and to rectify such data if necessary.
- 4 In the event of a divorce or the dissolution of a registered partnership by a court, information shall be communicated to the member or the court, at their request, about the amount of the pension assets or pensions serving as a basis for the calculation of the termination payment or pensions to be shared.

#### **Art. 45 Data protection and confidentiality**

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- 1 The Foundation shall handle members' personal data in due compliance with legal requirements (Article 85a to 87 BVG/LPP).
- 2 Members acknowledge that the Foundation will forward the personal data and documents required for the provision of his occupational benefits to the commissioned administrative office. Where necessary, the latter may communicate the insurance-related data to the reinsurer(s).
- 3 The members of the Board of Trustees and pension fund committees, and all persons entrusted with the management, administration, monitoring or regulation of the Foundation shall be bound by secrecy with regard to the business of the Foundation and the personal and financial circumstances of members and employers.

#### **Art. 46 Non-committed assets**

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- 1 Once planned reserves have been set aside, any remaining assets of the Foundation shall be reported as non-committed or free assets and may be used as such within the limits of the law and their intended purpose. The Board of Trustees shall decide on the use of non-committed assets.
- 2 A separate "non-committed assets" account shall be held for each individual pension fund. Non-committed assets shall be created inter alia by:
  - voluntary employer contributions;
  - allocations from free or partially free pension fund reserves;
  - allocations from the Foundation's profits and surpluses;
  - pension benefits that cannot be paid out;
  - transfers from a preceding occupational benefits institution.

- 3 Within the limits of the available assets, the pension fund's non-committed assets shall be applied to enhance benefits, fund contributions and costs, or for voluntary allocations.
- 4 The pension fund committee shall decide on the use of the pension fund's non-committed assets.

#### Art. 47 Investment fluctuation reserves and provisions

Investment fluctuation reserves, technical and other provisions shall be created, observing the principle of continuity, based on a sound risk analysis and following the recommendations of an accredited pension actuary in accordance with recognised actuarial principles. The particulars shall be regulated in separate regulations.

#### Art. 48 Surplus-sharing

- 1 Entitlement to and calculation of surplus-sharing shares under insurance contracts shall be governed by the provisions of the relevant risk insurance contract. Any surplus-sharing shares shall be allocated to the relevant pension fund (Pool Invest or Mandate Invest) with due regard to the claims experience. The Board of Trustees shall decide how surplus-sharing amounts shall be allocated observing the following order of distribution:
  - to crediting interest on pension assets; if not required
  - to cover investment and foundation costs; if not required
  - to increase actuarial reserves; if not required
  - to increase investment fluctuation reserves; if not required
  - distribution to the pension funds for allocation to their non-committed assets. The surplus-sharing amounts shall be credited to each member individually.
- 2 If surpluses from the Foundation's operating account (annual profit) do not have to be used to increase technical provisions and investment fluctuation reserves, they shall be distributed to the individual pension funds taking into account the needs of the Foundation, affiliated employers, self-employed members and members.

#### Art. 49 Financial equilibrium/actuarial deficit

- 1 The financial situation of the Foundation shall be periodically reviewed in accordance with actuarial principles. The Board of Trustees shall inform the pension funds about the results of the review.
- 2 If, during a periodical review of the Foundation by the accredited pension actuary it is established that the Foundation, an investment pool (Pool Invest) or a pension fund (Mandate Invest) has an actuarial deficit, a recovery plan shall be implemented in accordance with Article 50 for the Foundation, the relevant investment pool (Pool Invest) or pension fund (Mandate Invest). The Board of Trustees shall inform the Regulatory Authority and the relevant pension fund committees. The

pension fund committees shall in their turn inform the employers, self-employed members, members and pensioners about the underfunding and the recovery measures.

#### Art. 50 Recovery measures in case of underfunding

- 1 The Board of Trustees shall determine the principles for calculating the funded status of the Foundation, investment pool (Pool Invest) and pension funds (Mandate Invest) in accordance with Article 44(1) BVV 2/OPP 2. If the Foundation, an investment pool or a pension fund is underfunded in accordance with Article 44 BVV 2/OPP 2, the Foundation shall adopt an appropriate recovery plan in cooperation with the accredited pension actuary and – in the case of an underfunded pension fund – with the corresponding pension fund committee, with a view to eliminating the underfunding of the Foundation, investment pool (or the participating pension funds) or pension fund. If a pension fund has invested its pension assets, or a portion of its pension assets, through Mandate Invest, the competent pension fund committee shall be responsible for adopting the appropriate recovery measures. Where necessary, such measures shall include lowering the interest rate on pension assets and matching funding and benefits with the available assets. The proportionality principle shall be observed.
- 2 Observing the principle of proportionality, and for as long as an investment pool or pension fund is significantly underfunded (funded status under 90% according to Art. 44 BVV 2/OPP 2), the Foundation may levy contributions from the members and the employers or self-employed members of the relevant pension funds to remedy the underfunding at the respective level (foundation or individual pension fund) and reduce the interest rate credited on retirement savings capital below the minimum BVG/LPP interest rate. The employer's contribution shall be at least equal to the aggregate employee contributions of all members. A recovery contribution from pension beneficiaries may only be levied on that part of the pension, which, in the 10 years preceding introduction of the measure, does not result from increases, required by law or the regulations and does not concern the minimum BVG/LPP benefits. The amount of the pension at the start of the pension entitlement shall be guaranteed within the limits of the law. Pensioners' contributions shall be deducted from current pension payments.
- 3 If a pension fund is underfunded, the employer may pay contributions into a separate "employer contribution reserve with a declaration of renounced use" and transfer to that account any assets available on the ordinary employer contribution reserve. The contributions may not exceed the amount of the underfunding. The employer contribution reserve covered by a declaration of renounced use shall be maintained as long as the underfunding continues.



- 4 As long as the pension fund is underfunded, the Foundation may restrict the timing or amount of withdrawals under the encouragement of home ownership scheme, or refuse any withdrawals that are to be used to repay mortgage loans.

## Art. 51 Partial or total liquidation

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- 1 In the event of a total or partial liquidation, in addition to the entitlement to a termination benefit, there shall be an individual or collective entitlement to non-committed assets. In case of underfunding, a share of the deficit will be deducted.
- 2 The conditions and procedure for a partial or a total liquidation of a pension fund shall be set forth in separate regulations.

## Art. 52 Termination of affiliation agreement

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- 1 If an affiliation agreement is cancelled following termination by the employer (with the written consent of the employees) or by the self-employed members, the pensioners (recipients of retirement, survivor or disability pensions) and the mathematical reserves for all pensions in payment shall be transferred to the new occupational benefits institution. Cases of incapacity for work which occurred before the termination of the affiliation agreement and which subsequently lead to disability shall be regulated in accordance with paragraph 5. Termination by an employer or self-employed member shall only be effective after presentation of a written statement from another occupational benefits institution confirming that it will take over the pensioners at the same terms and conditions.
- 2 The employer or self-employed (if need be with the cooperation of the professional association) are jointly responsible for the proper transfer of the pensioners and their pension entitlements to the new occupational benefits institution.
- 3 The mathematical reserves pertaining to pension claims, which came into being during the life of an affiliation agreement, shall be calculated and transferred following the accounting principles applied in the Foundation's financial statements. Conversely, the mathematical reserves for the pensioners taken over from the previous occupational benefits institution shall be transferred applying the same calculation bases and discount rate as the Foundation or the relevant risk-bearing entity (Pool Invest or Mandate Invest accounting group) applied when it originally took them over.
- 4 If an affiliation agreement is terminated by the Foundation, the Foundation and the new occupational benefits institution shall reach an agreement concerning the taking over or not of the pensioners by the latter. If no agreement is reached, the pensioners shall remain with the Foundation, save in the event of unlawful conduct on the part of the employer.

- 5 The affiliation agreement shall remain in effect for members with an incapacity for work and a current (or foreseeable) claim to a contributions waiver if, when the agreement is terminated, the longest waiting period for all disability benefits has not yet expired or the Foundation has not yet received the requisite information enabling it to award or deny a disability pension. The pension relationship shall first be extinguished and transferred to the new occupational benefits institution when the member recovers his full working capacity, or upon expiry of the longest waiting period for disability benefits and receipt by the Foundation of all requisite information for the recognition of a disability pension.
- 6 Termination of an affiliation agreement may lead to the application of the regulations on the partial and total liquidation of pension funds.

## Art. 53 Liability

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The Foundation declines all liability for any consequences arising from the infringement of obligations by the affiliated employers and pension funds, professional associations and members, survivors and representatives (e.g. based on the obligation to disclose, notify and act with due care pursuant to Article 6). The Foundation reserves the right to assert claims for any losses incurred as a result and to demand repayment (Article 35a BVG/LPP), or offset any benefits which were unduly paid in accordance with Article 30.

## Art. 54 Omissions in the Regulations

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If any provision on any specific point has been omitted from these Regulations, the Board of Trustees shall adopt an appropriate rule in line with the object of the Foundation.

## Art. 55 Amendments

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- 1 The Board of Trustees may decide to amend these Regulations at any time within the limits of the law, ordinances and the Articles of the Foundation. The Foundation shall inform members in an appropriate manner about any amendments to these Regulations. The currently valid version shall be available at [www.liberty.ch](http://www.liberty.ch) or may be obtained from the Foundation. The duly vested rights of members and pensioners shall in any event be guaranteed, unless legal prescriptions provide for changes or the possibility of a regulatory amendment requiring changes. These Regulations, their Annexes and any subsequent amendments shall be submitted to the Regulatory Authority.
- 2 If the Board of Trustees establishes that, as a result of extraordinary events such as war, epidemics/pandemics, devaluation, etc., there is or will be a significant change in the fundamentals of occupational benefits, the Board of Trustees may take the necessary steps forthwith in consultation with the Regulatory Authorities.

## Art. 56 Language and equality

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All Regulations shall be construed and interpreted in the German-language version. Words in the male form shall apply in differently to men and women.

## Art. 57 Jurisdiction and governing law

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These Regulations shall be governed by Swiss Law. Disputes between members, other entitled parties and the Foundation shall be subject to the jurisdiction of the courts in accordance with Article 73 BVG/LPP. For the rest, the place of jurisdiction for all types of proceedings shall be Schwyz, as shall the place of performance and debt collection for members and contractual partners not resident or domiciled in Switzerland.

## Art. 58 Transitional provisions

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- 1 Benefits for insured cases that occurred before the new Regulations came into force shall be settled in accordance with the benefits scheme and regulations valid at the time the case occurred. Subject to coordination in accordance with Article 27 and the cost-of-living adjustment in accordance with Article 29, as well as any changes in benefits following a pension-sharing settlement in the event of divorce or dissolution by a court of a registered partnership pursuant to Article 36 and Annex III. Furthermore, the paragraphs below may apply.
- 2 The entitlement and calculation of disability and survivor benefits (before retirement) shall be governed by the benefits scheme and regulations in effect at the onset of the incapacity for work, the cause of which led to the death or disability, or at the time of death. Subject to paragraphs 3, 4, et seq. and below, coordination under Article 27, cost-of-living adjustments under Article 29, and changes in benefits following a pension-sharing settlement in the event of divorce or dissolution by a court of a registered partnership pursuant to Article 36 and Annex III.
- 3 If disability benefits end because the member dies before reaching the regulatory reference age, death benefits – except with regard to the order of beneficiaries under Article 24(4) of these Regulations – shall be governed by the benefits scheme and the regulations in force at the onset of the incapacity for work. The regulations in force at the time of death shall govern the order of beneficiaries under Article 24(4) above.
- 4 **Transfer of the disability pensions in payment to the new pension system on 1 January 2022**  
For recipients of a disability pension whose pension entitlement started before 1 January 2022 and who were age 55 or over on 1 January 2022, the pension entitlement will remain subject to the Foundation Regulations applicable on 31 December 2021.

- 5 For recipients of a disability pension whose pension entitlement started before 1 January 2022 and who had not yet reached the age of 55 on 1 January 2022, the existing pension entitlement will remain valid until it changes by at least 5 percentage points based on a revision in the IV/AI degree of disability. Notwithstanding, if the adjustment in the pension entitlement results in a reduction in the existing pension entitlement despite an increase in the degree of disability, or in an increase in the existing pension entitlement despite a reduction in the degree of disability, the existing pension entitlement shall remain in force.
- 6 For recipients of a disability pension whose pension entitlement started before 1 January 2022 and who had not yet reached the age of 30 on that date, the provisions on pension entitlement under Article 17(8) above shall apply from 1 January 2032 at the latest. If the amount of the disability pension falls below the existing amount, the recipient of the disability pension shall be granted the existing pension amount until it changes by at least 5 percentage points based on a revision of the IV/AI degree of disability .
- 7 For the duration of the provisionally maintained insurance in accordance with Article 26a BVG/LPP, the application of the pension entitlement based on the degree of disability under Article 17(8) shall be deferred.
- 8 The contribution waiver is always governed by the current regulatory provisions (whereby the pension entitlement under Article 19(5) above is based on the pension scale applicable until 31 December 2021 or on the stepless pension system applicable from 1 January 2022). The reference salary remains unchanged subject, however, to the adjustments in the relevant pension entitlement.

## Art. 59 Validity

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These Regulations shall come into force on 1 January 2024; they cancel and replace the prior version of 2 December 2022.

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Schwyz, 1 December 2023

Board of Trustees of Liberty BVG Collective Foundation

## Annex I

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to the Pension Fund Regulations of Liberty BVG Collective Foundation

### Occupational benefits for professional associations

By way of amendment to the Pension Fund Regulations, the following provisions shall additionally apply to occupational benefits for professional associations.

#### Art. 1 Organisation and purpose of the Foundation

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- 9 The Foundation shall maintain separate individual occupational benefits solutions for each professional association accredited by it. These can be joined by self-employed members of the respective professional association who do not employ any staff, and who sign an affiliation agreement with the Foundation.

#### Art. 4 Benefits coverage

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##### 1 Start of coverage

For self-employed members of the professional association, coverage shall start as a rule on the date indicated in the affiliation agreement but not before the first day of the month in which the Foundation receives the affiliation agreement.

##### 12 End of coverage

Benefits coverage shall end on the date the member leaves the Foundation's benefits coverage. In the case of self-employeds, this may occur as a result of:

- termination of the affiliation agreement;
- complete cessation of the gainful self-employed activity;
- loss of membership of the professional association; or
- investment of all his pension assets in his business.

## Annex II

to the Pension Fund Regulations of Liberty BVG Collective Foundation

### Conversion rates

The following conversion rates (for retirement benefits in accordance with Article 14(2) of the Pension Fund Regulations) shall apply:

Men							
Age	2024	2025	2026	2027	2028	2029	2030
58	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%	4.42%
59	4.53%	4.53%	4.53%	4.53%	4.53%	4.53%	4.53%
60	4.64%	4.64%	4.64%	4.64%	4.64%	4.64%	4.64%
61	4.76%	4.76%	4.76%	4.76%	4.76%	4.76%	4.76%
62	4.88%	4.88%	4.88%	4.88%	4.88%	4.88%	4.88%
63	5.01%	5.01%	5.01%	5.01%	5.01%	5.01%	5.01%
64	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%	5.15%
65	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%	5.30%
66	5.46%	5.46%	5.46%	5.46%	5.46%	5.46%	5.46%
67	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%	5.63%
68	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%	5.81%
69	6.01%	6.01%	6.01%	6.01%	6.01%	6.01%	6.01%
70	6.22%	6.22%	6.22%	6.22%	6.22%	6.22%	6.22%

Women							
Age	2024	2025	2026	2027	2028	2029	2030
58	4.53%	4.50%	4.48%	4.45%	4.42%	4.42%	4.42%
59	4.64%	4.61%	4.59%	4.56%	4.53%	4.53%	4.53%
60	4.76%	4.73%	4.70%	4.67%	4.64%	4.64%	4.64%
61	4.88%	4.85%	4.82%	4.79%	4.76%	4.76%	4.76%
62	5.01%	4.98%	4.95%	4.91%	4.88%	4.88%	4.88%
63	5.15%	5.12%	5.08%	5.05%	5.01%	5.01%	5.01%
64	5.30%	5.26%	5.23%	5.19%	5.15%	5.15%	5.15%
65	5.46%	5.42%	5.38%	5.34%	5.30%	5.30%	5.30%
66	5.63%	5.59%	5.55%	5.50%	5.46%	5.46%	5.46%
67	5.81%	5.77%	5.72%	5.68%	5.63%	5.63%	5.63%
68	6.01%	5.96%	5.91%	5.86%	5.81%	5.81%	5.81%
69	6.22%	6.17%	6.12%	6.06%	6.01%	6.01%	6.01%
70*							6.22%

\* For women born in 1961 or later who may be insured beyond the age of 69.

Intermediate values for the retirement age are linearly interpolated to months in the retirement year.

## Annex III

to the Pension Fund Regulations of Liberty BVG Collective Foundation

### Pension-sharing settlements in connection with a divorce or the dissolution of a registered partnership

In addition to Article 36 of the Pension Fund Regulations, and unless otherwise ordered by a Swiss court, the following provisions shall apply in the event of a divorce or the dissolution of a registered partnership:

#### Art. 1 Divorce of an active member

- 1 In the case of members who have not yet reached the regulatory reference age and are not disabled, the termination payment acquired between the start of their marriage and the initiation of divorce proceedings, and any withdrawals for residential property, shall be divided between the spouses.
- 2 The final and enforceable divorce decree (absolute decree) shall regulate the amount and use of the portion of the member's termination payment to be transferred in favour of the beneficiary divorced spouse. If, based on the decree absolute, the Foundation is required to transfer a portion of the vested benefits acquired during the marriage to the occupational benefits institution of the beneficiary spouse, the member's available pension assets shall be reduced by the amount transferred; the reduction shall be proportionate to the ratio of the mandatory pension assets (BVG/LPP retirement assets) to any other (extra-mandatory) pension assets. The (retirement and survivors') benefits deriving from the pension assets shall be reduced accordingly. The death and disability benefits before retirement insured on the basis of the salary shall not be reduced.
- 3 The same procedure shall apply if the Foundation is required to pay a pension-sharing portion (possibly as a lump-sum) in favour of the beneficiary divorced spouse.
- 4 If a member receives a termination payment or a pension-sharing portion (including in the form of a lump-sum) in connection with a divorce, the amount received shall be credited to the member's mandatory and extra-mandatory pension assets with the Foundation in the same proportion as the transferred amount was debited to the mandatory and extra-mandatory pension assets of the debtor spouse with his occupational benefits institution.

#### Art. 2 Divorce of a disabled pensioner (before the regulatory reference age)

- 1 For members who are fully or partially disabled, the acquired termination payment within the meaning of Article 1(2) above shall correspond to the amount to which they would have been entitled if they had been reinstated at the pension-sharing reference date (notional retirement savings capital or pension assets).
- 2 If, following the divorce of a member who receives a temporary disability pension and based on the decree absolute, the Foundation is required to transfer a portion of the vested benefits acquired during the marriage to the occupational benefits institution of the divorced spouse, the disabled member's available or continuance pension assets (before reaching the reference age) shall be reduced by the amount transferred; the reduction shall be proportionate to the ratio of the mandatory pension assets to any other (extra-mandatory) pension assets. Disability benefits (disability pension and disabled member's child pensions) in payment when divorce proceedings are initiated shall not be reduced until the member reaches the reference age. However, the mandatory and extra-mandatory portions shall be adjusted accordingly. The reversionary retirement and survivors' benefits deriving from the pension assets shall be reduced. If the accrued retirement savings capital at the start of the disability pension is included in the regulatory calculation of the disability pension, the disability pension shall be reduced in accordance with the Foundation's actuarial tables or those of the relevant risk-bearing entity (Pool Invest or Mandate Invest accounting group) up to the maximum limit in accordance with Article 19(2) and 19(3) BVV 2/OPP 2 (subject to any disabled member's child pensions already in payment when divorce proceedings were initiated). The reference date for calculating the reduction shall be the initiation date of the divorce proceedings.
- 3 If, following the divorce of a disability pensioner entitled to lifelong disability benefits, the Foundation is required to transfer a portion of the vested benefits acquired during the marriage to the occupational benefits institution of the divorced spouse pursuant to the decree absolute, the accrued pension assets shall be reduced in accordance with paragraph 2 above and the disability pension shall be reduced in accordance with the Foundation's actuarial tables or those of the relevant risk-bearing entity (Pool Invest or Mandate Invest accounting group) up to the maximum limit in accordance with Article

## Annex III (continuation)

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19(2) and (3) BVV 2/OPP 2 (subject to any disabled member's child pensions already in payment when divorce proceedings were initiated).

### Art. 3 Retirement during the divorce proceedings

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- 1 If, during the divorce proceedings, the member becomes eligible for (partial or full retirement) retirement benefits, or if a disability pensioner reaches the regulatory reference age, the Foundation shall reduce the portion of the termination payment to be transferred and the pensions by the maximum possible amount in accordance with Article 19g of the Ordinance on Vesting in Pension Plans (FZV/OLP). The reduction shall be split equally between the 2 spouses.
- 2 In addition, from the date of the decree absolute, the retirement pension shall be permanently adjusted in line with the remaining pension assets after the transfer of the pension-sharing settlement.

### Art. 4 Divorce of a disability pensioner (after reaching the regulatory reference age) or a possible retirement pensioner

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- 1 If, when divorce proceedings are initiated, the member is granted a disability pension after reaching the regulatory reference age or a retirement pension, the pension shall be divided in accordance with the decree absolute. The mandatory and extra-mandatory portion, if any, of the liable spouse's disability or retirement pension in payment shall be reduced by the amount of the retirement pension to be shared, proportionally to their share of the total pension. The entitlement to a (disabled member's or) retired member's child pension at the initiation of the divorce proceedings shall not be reduced. Any claims of the liable member to survivor benefits shall be calculated on the pension benefits actually paid after the pension-sharing settlement, subject to any orphan's pension replacing a child's pension which cannot be affected by the pension-sharing settlement.
- 2 The beneficiary spouse shall have a lifelong entitlement to a portion of the pension in accordance with Article 124e ZGB/CC (pure life annuity). The entitlement shall cease at the end of the month following the death of the beneficiary spouse. There shall be no entitlement to any further benefits, i.e. (reversionary) survivor benefits.

- 3 Instead of a pension, the beneficiary spouse may apply to receive a single lump-sum settlement. The application for a lump-sum settlement must be filed with the Foundation before the first pension payment is made. The relevant filing notice shall be irrevocable thereafter. The conversion to a lump-sum shall be made applying the Foundation's actuarial tables or those of the relevant risk-bearing entity (Pool Invest or Mandate Invest accounting group) when the divorce decree becomes absolute. The transfer of the lump-sum settlement shall extinguish all claims of the beneficiary spouse against the Foundation.
- 4 Before the regulatory reference age, the Foundation shall, with the consent of the beneficiary spouse, transfer the pension portion pursuant to Article 124a ZGB/CC as a single lump-sum payment in accordance with paragraph 2 above, or otherwise once a year by 15 December of the relevant year, to the occupational benefit or vested benefit institution of the beneficiary spouse. The annual pension payments in favour of the occupational benefits of the beneficiary divorced spouse shall accrue interest at one-half the regulatory interest rate. If the divorced spouse entitled to a pension changes his occupational benefit or vested benefit institution, he shall inform the Foundation liable for the pension payments by 15 November of the relevant year at the latest, indicating his new occupational or vested benefit institution.
- 5 If the beneficiary spouse is entitled to a full disability pension or has reached the minimum age for early retirement, the Foundation shall pay him at his request a lifelong pension in accordance Article 124a ZGB/CC (in each case in monthly instalments in advance on the first day of the month), unless this claim has already been settled with a single lump-sum payment.
- 6 If the beneficiary spouse has reached the regulatory reference age, he shall receive a lifelong pension in accordance with Article 124a ZGB/CC (in each case in monthly instalments in advance on the first day of the month). Upon request, the amount will be transferred to his pension fund provided purchases are still allowed under its regulations.
- 7 If, in the event of a divorce, a retirement pension, which can be reduced in accordance with Article 27(3) or 27(5) of the Pension Fund Regulations, is divided, the portion of the pension awarded to the beneficiary spouse shall continue to be taken into account when calculating any reduction in the retirement pension of the liable spouse.

## Annex III (continuation)

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### Art. 5 Allocation of pension-sharing settlements

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If a member receives a termination payment or a pension portion (even as a lump-sum) in the context of a divorce in accordance with Article 124a ZGB/CC, this amount shall be credited to the member's mandatory and extra-mandatory retirement savings capital with the Foundation in the same proportion as they were charged to the pension assets of the liable spouse. The communication of the transferring occupational benefit or vested benefit institution shall be authoritative in this regard.

### Art. 6 Re-purchase following divorce

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- 1 Pursuant to Article 22d FZG/LFLP, members may repurchase the transferred portion of the termination payment. The amounts repurchased shall be apportioned in the same ratio as the amounts were deducted pursuant to Article 1(2) or Article 2(2) above. There shall be no right to repurchase within the scope of an existing disability. Nor may the reduction in a disability or retirement pension resulting from a pension-sharing settlement be compensated by a (re)purchase.
- 2 Members are advised to verify the tax deductibility of purchases with the competent tax authorities. The Foundation declines all responsibility in this regard.

### Art. 7 Dissolution of a registered partnership

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The provisions of this Annex shall apply mutatis mutandis to the dissolution by a court of a registered partnership.