

Leica Pension Fund

Pension Fund Regulations

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Glossary

A General provisions

1. Name, legal bases

- 1.1 Under the name **Leica Pension Fund** (hereinafter Pension Fund) a foundation exists within the meaning of Art. 80 et seq. of the Swiss Civil Code, Art. 331 of the Code of Obligations and Art. 48 Para. 2 of the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG). It is entered in the Register for Occupational Pensions for the Canton of St. Gallen.
- 1.2 The Foundation Board hereby issues these Pension Fund Regulations on the basis of the deed of foundation and in compliance with the statutory provisions.

2. Purpose

- 2.1 The purpose of the Foundation is to provide occupational pensions within the framework of the BVG and its implementing provisions for the employees of Leica Geosystems AG and for the employees of those companies that are closely affiliated either economically or financially with Leica Geosystems AG, as well as for their dependants and survivors, against the economic consequences of age, disability and death. The incorporation of an affiliated company is carried out on the basis of a written affiliation agreement, which must be presented to the supervisory authority for acknowledgement.
- 2.2 The Pension Fund provides at least the pension benefits according to the BVG. In addition, the Pension Fund undertakes to comply with the mandatory statutory provisions, even if not expressly mentioned in these Pension Fund Regulations, insofar as they are applicable. It manages a "shadow account" for every insured person, from which the BVG retirement assets for this person and the minimum entitlement pursuant to the BVG are derived.

3. Designations

- 3.1 In these Pension Fund Regulations the following designations apply:
 - "Founder" refers to Leica Geosystems AG in Heerbrugg/SG;
 - "Company" refers to the Founder as well as the affiliated companies;
 - "Employed persons" refers to all those persons in an employment relationship with the Company;
 - "Insured persons" refers to all those persons enrolled with the Pension Fund who are subject to the duty of contributions;
 - "AHV" and "IV" refer to the Federal Old Age and Survivors' Insurance and the Federal Disability Insurance respectively;
 - "BVG" refers to the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans;
 - "BVV2" refers to the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans;
 - "FZG" refers to the Federal Law on Vesting in Occupational Retirement, Survivors' and Disability Pension Plans;
 - "FZV" refers to the Ordinance on Vesting in Occupational Retirement, Survivors' and Disability Pension Plans;
 - "WEF" refers to the promotion of home ownership with vested pension accruals (Art. 30a–Art. 30g BVG);
 - "WEFV" refers to the Ordinance on the Encouragement of the Use of Vested Pension Accruals for Home Ownership;
 - "PartG" refers to the Federal Law on the Registration of Partnerships for Same-Sex Couples;
 - "ZGB" refers to the Swiss Civil Code.

- 3.2 Where the masculine form is used for persons in the following provisions, this shall apply to women as well.

4. Definitions

4.1 Financial year

The financial year equals the calendar year. It begins on 1 January and ends on 31 December.

4.2 Insurance age

The insurance age is deemed to be the difference between the current calendar year and the year of birth.

4.3 Retirement age

The regulatory retirement age for men and women is reached on the first of the month after completion of the 65th year of age.

The retirement age lies between the completed 58th and 70th year of age.

4.4 Annual salary

The annual salary corresponds with the contractually agreed annual fixed salary plus the target amount of any variable salary components. The following principles must be observed when determining the annual salary:

- a. Any incidental salary components such as shift supplements, compensation for overtime, service awards and bonuses are not included.
- b. Payments in kind are not insured.
- c. Family and child allowances as well as salary components for other employers are not taken into account in the annual salary.
- c. Loss of earnings due to illness, accident, maternity leave or military service is not deducted.
- d. In special cases, e.g. if the workload or the salary fluctuates wildly or for persons who earn an hourly wage or who receive shift allowances, the relevant annual salary can be determined on the basis of the average salary or the previous year's salary.
- e. If no target amount for the variable salary components has been defined in the employment contract, average and/or empirical values can be taken as a basis for the workforce of a company or for specific employee categories.

An affiliated company can agree a different definition of the annual salary with the Pension Fund, which must be recorded in an appendix to the affiliation agreement. Shift allowances as well as overtime compensation can be taken into account on the basis of such an appendix to the affiliation agreement; moreover, the insurance of the target amount of the variable salary component can be waived.

4.5 Pensionable salary

The pensionable salary corresponds to the annual salary pursuant to Art. 4.4.

The maximum pensionable salary corresponds to 9x the amount of the maximum AHV retirement pension (see key figures in Appendix 7).

If the pensionable salary is reduced by a maximum of 50% after the completion of the insured person's 58th year of age, the insured person can request that his employee benefits insurance cover should be continued on the same basis as the former pensionable salary. This continued

insurance shall be carried out until the AHV retirement age at the latest (see key figures in Appendix 7). The company's contributions are determined on the basis of the reduced pensionable salary. The savings and risk contributions for the insured person are the same as the previous full savings and risk contributions of the company and the insured person together, reduced by the effective savings and risk contributions of the company.

Within the framework of the pre-retirement model (VP model) a different regulation shall apply. It states the following: The pensionable salary corresponds to the previous pensionable salary. The contributions of the insured person are determined on the basis of the reduced pensionable salary. The savings and risk contributions of the company are the same as the previous full savings and risk contributions of the company and the insured person together, reduced by the effective savings and risk contributions of the insured person. Enrolment in a VP model is only possible if the prerequisites are fulfilled pursuant to the corresponding regulations.

4.6 Savings capital

The retirement benefits that fall due at retirement as well as the vested benefits triggered by the termination of the employment relationship are determined on the basis of the accrued savings capital. The savings capital is made up of

- the savings credits;
- the vested benefits brought into the fund from previous pension plans;
- the amounts of purchases made;
- any deposits (transfer of vested benefits or annual transfer of pension shares) due to divorce or the dissolution of a registered partnership and
- any deposits for compensation of the reduction in the conversion rate;
- the interest;
- less any advance withdrawal to finance residential property, payments at divorce, benefits due to semi-retirement as well as cash payments, incl. interest.

The annual savings credits as a percentage of the pensionable salary are defined in Appendix 1.

The savings credit is credited to the savings capital annually as per 31 December or as per the termination date and does not earn interest in the current year.

The vested benefits brought into the fund and any purchase sums, deposits, early withdrawals and payments earn interest as per the value date.

4.7 Savings capital early retirement (VP savings capital)

The VP savings capital is made up of

- the amounts of purchases made for early retirement (see Art. 40.5), and
- the interest.

4.8 Interest rate

The interest rate for the interest earned on the savings capital and the VP savings capital is determined annually in advance by the Foundation Board on the basis of the BVG minimum interest rate determined by the Federal Council and the actuarial situation of the Pension Fund (see appendix for figures).

If the investment performance has been satisfactory, the Foundation Board may decide to award the insured persons an interest bonus as per 31 December. This also applies for insured persons who entered retirement on 31 December or who left the Pension Fund following the termination of their employment relationship. However, this does not apply to insured persons who leave/left the Pension Fund prior to December 1 because of the termination of the employment relationship.

B Group of insured persons

5. Admittance to the Pension Fund

5.1 The Pension Fund is obliged to enrol employees of the company or of an affiliated company insofar as their annual salary exceeds the minimum salary determined by the BVG pursuant to Art. 4.4 (see Appendix 7 for the figures).

5.2 Admittance to the Pension Fund is triggered at the beginning of the employment relationship with the company or the affiliated company, but on 1 January following completion of the 17th year of age at the earliest.

5.3 The following groups of persons are not admitted:

- a) Persons who have reached the standard AHV retirement age (see Appendix 7 for the figures).
- b) Persons who have been classified as at least 70% disabled and persons whose insurance cover is provisionally continued under their previous pension scheme pursuant to Art. 26a BVG.
- c) Persons whose employment contract was concluded for a maximum of three months.
- d) Persons who work part-time and already have mandatory insurance cover for their main profession or who are primarily self-employed outside of the company.
- e) Persons who are not, or do not expect to be, permanently employed in Switzerland and who have adequate insurance cover abroad. In this case, they must apply for exemption from joining the Pension Fund.

5.4 Fixed-term employment contract

If a fixed-term employment contract is extended for a period of more than three months without interruption, the person affected is admitted to the Pension Fund at the same time.

Insofar as several consecutive periods of employment or deployments within the company last for longer than three months and there is no interruption of more than three months, the person affected is admitted to the Pension Fund on the first day of the fourth month of employment. However, if it was agreed before the first period of employment that the duration of the employment or deployment would exceed three months in total, the person affected is insured with the Pension Fund from the start.

5.5 Free choice of pension plan

As a rule, particularly in the year of entry, an insured person is insured in Plan A. From the insurance age of 45, however, (see Art. 4.2) the insured person has the option of changing to Plan B. Changing from Plan B to Plan A is also possible.

Changing plan is carried out as per 1 January on the basis of a written declaration from the insured person to the Pension Fund. This declaration must be received by 30 September prior to the plan change at the latest. Changing plan during the calendar year is not possible.

Changing from Plan A to Plan B is valid only if the insured person is fully capable of working at the time of submitting the declaration. This must be confirmed in writing vis-à-vis the Pension Fund. If the Pension Fund subsequently determines that the insured person was partially or fully incapable of working at this point in time and if the insured person becomes disabled, Plan A shall be decisive for the exemption from contributions.

6. Start and end of insurance

6.1 The insurance starts upon admission to the Pension Fund.

- 6.2 The insurance ends with the termination of the employment relationship with the company, insofar as there is no entitlement to pension benefits. The death and disability risks remain insured for one month following the termination of the employment relationship, unless a new employment relationship has been entered into in the meantime (see Art. 23). Art. 7 remains reserved.

7. Voluntary continued insurance following termination after the age of 58

- 7.1 Insured persons who leave the mandatory insurance after the age of 58 because the employment relationship was terminated by the employer can apply for the continuation of the full employee benefits insurance cover (retirement savings and risk insurance) or the risk insurance only. The application for the continuation of cover must be submitted in writing to the management office one month before the end of the employment relationship at the latest. With this application the insured person must enclose verification (e.g. a copy of the termination letter) which confirms that the termination was initiated by the employer.
- 7.2 The pensionable annual salary pursuant to Art. 4.5 at the time of the termination shall apply in principle for the continued insurance. However, the insured person can insure a lower annual salary than the previously insured pensionable annual salary and/or adjust this once annually during the continued insurance by applying to the Pension Fund for this in writing one month in advance. The pensionable annual salary must correspond at least to the minimum pensionable annual salary as per the entry threshold stipulated by the BVG.
- 7.3 The insured person must pay all the regulatory employee and employer contributions.
- 7.4 The insured person can apply to suspend or resume the retirement savings as of 1 January every year. The retirement savings plan selected will continue to apply for the following year unless the Pension Fund is informed otherwise in writing by 30 September at the latest. The provisions of Art. 5.5 (free choice of pension plan) apply analogously.
- 7.5 Upon joining a new pension scheme, the termination benefit is transferred to the new pension scheme to the extent that it can be used to buy the full regulatory benefits. The savings capital as well as any VP savings capital is reduced proportionately. The BVG retirement assets are also reduced proportionately in relation to the withdrawal of the whole savings capital (including the VP savings capital). If at least one-third of the termination benefit remains, the insurance is continued. The pensionable salary at the time of the termination of the employment relationship is reduced proportionally to the termination benefit that is transferred. Otherwise Art. 7.6 shall apply.
- 7.6 The continued insurance comes to an end
- a) upon the request of the insured person (as per the end of the month);
 - b) with the occurrence of an insurance case;
 - c) upon entry in a new pension scheme if more than two-thirds of the termination benefit is required for the purchase in the full regulatory benefits;
 - d) in the event of the contribution payments no longer being paid, at the end of the month for which the last contribution was paid;
 - e) at the latest, upon reaching the regulatory retirement age.
- After the termination of the continued insurance pursuant to items a and d, the retirement or termination benefit becomes due. In the event of termination pursuant to items b and e, the corresponding retirement, survivors' or disability benefits are triggered. In the event of termination pursuant to item c, the termination benefit becomes due. If this cannot be transferred to the new pension scheme in full, the remaining assets become due as a retirement benefit.
- 7.7 If the continued insurance cover has lasted for more than two years, the retirement benefits must be drawn in the form of a pension pursuant to these regulations and the termination benefit can no longer be withdrawn in advance or pledged to finance residential property for own use.

- 7.8 The purchase of additional benefits pursuant to Art. 40 remains possible, even if only the risk insurance is continued. The basis for the calculation of the maximum possible savings capital is the pensionable annual salary pursuant to Art. 7.2.

8. Medical examination

- 8.1 The Pension Fund is entitled to request information on the state of health of a new applicant or to have the person to be admitted examined by a medical examiner.
- 8.2 In the event of an unsatisfactory health report, the Pension Fund is entitled to apply provisos and to limit the insured disability and death benefits that exceed the pension benefits pursuant to the BVG. The provisions of Art. 8.5 remain reserved.

The Pension Fund can also simply decide to exclude individual illnesses or ailments and the consequences thereof fully or partially from the disability and whole life insurance, but otherwise grant the full insurance cover.

- 8.3 The duration of a health proviso is 5 years at most.
- 8.4 For as long as the medical examination for the newly admitted insured person remains pending and admittance without provisos has not been confirmed, admittance to the Pension Fund is on a provisional basis only. The admittance procedure should generally be concluded within 6 months after the start of the employment relationship. If within this period of time an unsatisfactory state of health is determined, provisos will be applied and the insured benefits will be correspondingly reduced.

The minimum BVG benefits remain guaranteed in every case.

- 8.5 The pension benefits that are acquired pursuant to Art. 39 with the entry benefit must not be reduced by a new health proviso. The time that has elapsed in the previous pension scheme for a health proviso will be taken into consideration in the new duration of the proviso for the pension benefits acquired with the termination benefits brought into the pension fund.
- 8.6 If the incapacity for work, the reason for which led to the disability or death, occurs prior to the end of the proviso period, the benefits due will be reduced according to the proviso that was applied. The reduction shall apply until the end of the entitlement to the regulatory benefits.

9. Disability

- 9.1 An insured person is deemed to be disabled if, for health reasons (accident, illness or ailment), he can no longer perform his previous occupation or a similar occupation commensurate with his knowledge and skills and the employment relationship is therefore terminated before he reaches the regulatory retirement age, or his annual salary is reduced.
- 9.2 A reduction in the capacity for work of less than 40% is not deemed to be a disability and therefore does not justify any claim to benefits from the Pension Fund. In addition, the disability benefits are deferred for as long as the insured person receives at least 80% of his full annual salary or a corresponding replacement income (e.g. sickness benefit or daily sickness allowance) which is co-financed by the company to at least 50%.
- 9.3 The disability and the level of disability are governed by the decision of the IV.

If an insured person is temporarily (maximum 1 year) deployed abroad and not insured with the IV during this time, his level of disability is determined on the basis of the report of the Pension Fund's medical examiner.

An insured person is deemed to be partially disabled if his level of disability is at least 40%.

An insured person is deemed to be fully disabled if his level of disability is at least 70%.

- 9.4 If the insured person caused or increased the duration of his disability through gross negligence or with intent, the Foundation Board can reduce the disability benefits of the Pension Fund according to the level of culpability.
- 9.5 The Foundation Board is entitled to request a medical report on the state of health of a disabled insured person by the company's own medical examiner. If the insured person objects to such an examination or refuses to accept a reasonable occupation that is commensurate with his knowledge and skills and his state of health, he shall relinquish his pension entitlement vis-à-vis the Pension Fund and shall instead receive his vested benefits pursuant to Art. 21.

C Pension benefits

10. Overview of benefits

- 10.1 Retirement benefits
- Lifelong retirement pension and/or lump-sum payment
 - AHV bridging pension
 - Semi-retirement
 - Pensioner's child's pension
- 10.2 Survivors' benefits
- Spouse's pension
 - Life partner's pension
 - Orphan's pension
 - Lump-sum death benefit
- 10.3 Disability benefits
- Disability pension
 - Disabled person's child's pension

11. Retirement benefits

- 11.1 Every insured person who has reached the regulatory retirement age (see Art. 4.3) and who enters retirement receives a retirement benefit.
- 11.2 If the employment relationship is terminated after completion of the 58th year of age or if the person has accepted voluntary continued insurance pursuant to Art. 7, the insured person can request early retirement and will then receive a retirement benefit. The corresponding written declaration to the Pension Fund must be submitted before the effective retirement at the latest. If no early retirement is requested and if no continued insurance pursuant to Art. 7 is put in place within 30 days following the end of the employment relationship, the insured person receives a vested benefit (see Art. 21).
- 11.3 The retirement benefit (subject to voluntary continued insurance pursuant to Art. 7) becomes due in the first month after the termination of the employment relationship due to retirement or early retirement.
- 11.4 The retirement benefit is generally paid out as a life-long retirement pension.

The amount of the annual retirement pension due equals the accrued savings capital at retirement age (incl. the VP savings capital pursuant to Art. 40.5) multiplied by the corresponding conversion rate (see Art. 11.10 and Appendix 2).

- 11.5 The retirement benefit due can be withdrawn in full or in part as a lump sum. The lump-sum payment equals the accrued savings capital (incl. the VP savings capital) at most. If the accrued savings capital (incl. the VP savings capital) is paid out in full, all other claims of the insured person or his survivors vis-à-vis the Pension Fund expire.

In the case of a partial payment of the lump sum, the accrued savings capital (incl. the VP savings capital) is reduced accordingly. The reduced retirement pension due is determined pursuant to Art. 11.4 on the basis of the reduced savings capital (incl. the VP savings capital). The spouse's, life partner's and orphan's pensions that continue to be insured are calculated according to the reduced retirement pension due.

- 11.6 If the insured person requests a lump-sum settlement, the notification period is one month prior to the effective retirement age, or one month before the end of the voluntary continued insurance pursuant to Art. 7. After the expiry of the notification period, the decision becomes definitive.

In the case of married insured persons or insured persons living in a registered partnership, the application must be signed by both spouses/registered partners and the signatures must be certified.

- 11.7 The insured retirement pension is determined pursuant to Art. 11.4 on the basis of the projected savings capital.

The projected savings capital is determined by means of

- the accrued savings capital (without the VP savings capital),
- the future savings credits (see Art. 4.6),
- the projected interest rate (see Appendix 7 for the figures) and
- the regulatory retirement age of 65 years

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If an insured person has taken advantage of the voluntary continued insurance and suspended the retirement savings pursuant to Art. 7.4, the savings capital is projected from the occurrence of an insurance case using the savings contributions that are calculated from the pensionable salary pursuant to Art. 7.2 and under the provisions of Savings Plan A.

- 11.8 If the insured person remains in an employment relationship with his company past the regulatory retirement age with the company's agreement, he may request that his insurance is continued subject to the duty of contributions. The pensionable salary is then determined on the basis of the annual salary (see Art. 4.4 and Art. 4.5).

The rates for the savings contributions remain unchanged (see Appendix 1).

From the insurance age of 66 (see Art. 4.2) no further risk contributions are paid.

At the termination of the employment relationship, but at the end of the month after the completion of the 70th year of age at the latest, the insured person is entitled to a retirement benefit.

The annual retirement pension due equals the accrued savings capital at the effective retirement age (incl. the VP savings capital) multiplied by the corresponding conversion rate (see Art. 11.10).

If a married insured person dies during the period of the continued insurance after the regulatory retirement age and if the surviving spouse fulfils one of the two criteria of Art. 15.1 at the time of death, the surviving spouse is entitled to a spouse's pension equalling 60% of the retirement pension determined at the end of the month of death. In addition, the surviving spouse is entitled to a lump-sum death benefit of 200% of the retirement pension determined at the end of the month of death. In this case, no further lump-sum death benefit pursuant to Art. 18 is due.

For an insured person living in a registered partnership, the same provisions apply as for a married insured person.

If an unmarried insured person dies during the period of the continued insurance after the regulatory retirement age and if the criteria of Art. 16.1 are fulfilled at the time of death, the surviving partner is entitled to a life partner's pension equalling 60% of the retirement pension determined at the end of the month of death. In addition, the surviving partner is entitled to a lump-sum death benefit of 200% of the retirement pension determined at the end of the month of death. In this case, no further lump-sum death benefit pursuant to Art. 18 is due.

If an insured person dies during the period of the continued insurance after the regulatory retirement age and if there is no entitlement to a spouse's or life partner's pension, a lump-sum death benefit equalling the accrued savings capital (incl. the VP savings capital) becomes due. The beneficiaries are determined pursuant to Art. 18.1.

- 11.9 The insured person can request that following his effective retirement, the co-insured spouse's pension or life partner's pension should equal 80% of the retirement pension due.

The insured person must notify the Pension Fund in writing of his request for the spouse's pension or life partner's pension to be increased to 80% of the retirement pension due with a notice period of one month before the effective retirement date.

If no written notification is received or if the notification period is not respected, the co-insured spouse's pension or life partner's pension equals 60% of the retirement pension due.

This option does not apply for recipients of a disability pension who are completing their 65th year of age (see Art. 19.3).

- 11.10 The conversion rate is determined on the basis of the effective retirement age and the amount of the co-insured spouse's pension or life partner's pension. The conversion rates are defined in Appendix 2.

The retirement age is calculated exactly on the basis of months. The conversion rate is interpolated on a straight-line basis for dates between the full years of age.

12. AHV bridging pension

- 12.1 If an insured person enters retirement before the normal AHV retirement age (see Appendix 7 for figures), he can apply for an AHV bridging pension, which is paid out until the normal AHV retirement age is reached. The AHV retirement pension is constant and equals at most the maximum AHV retirement pension (see Appendix 7 for figures).

- 12.2 If an AHV bridging pension is paid out, first the accrued VP savings capital and (if this is insufficient) then the accrued savings capital is reduced by the cash value of the annual AHV bridging pension.

The retirement benefits due as well as the co-insured pension benefits are determined on the basis of the reduced savings capital (incl. the VP savings capital).

The amount of the annual retirement pension due equals the reduced savings capital (incl. the VP savings capital) multiplied by the corresponding conversion rate (see Art. 11.4).

- 12.3 The cash value of the annual AHV bridging pension is determined by multiplying the annual AHV bridging pension with a specific factor. This factor depends on the missing years and months to the AHV retirement age (see Appendix 7 for figures). The factors are defined in Appendix 3.

13. Semi-retirement

If an insured person reduces his level of employment after completing his 58th year of age by at least 20%, he can apply for semi-retirement. The retirement pension due is determined accordingly and the accrued savings capital (incl. the VP savings capital) is reduced accordingly.

The insured person can withdraw all or part of his retirement benefits in the form of a lump sum.

If the insured person withdraws several retirement benefits as a lump sum because of semi-retirement, he must take into account the associated tax consequences.

Furthermore, the provisions of Art. 11 apply.

14. Pensioner's child's pension

14.1 Recipients of a retirement pension who have children within the meaning of Art. 32 are entitled to a retired person's child's pension.

The annual retired person's child's pension equals 20% of the current retirement pension for each entitled child.

15. Spouse's pension

15.1 If a married insured person or a person entitled to a pension dies, the surviving spouse receives a spouse's pension, insofar as one of the following two criteria is fulfilled at the time of death:

- he is responsible for the upkeep of one or more children, or
- he has completed his 40th year of age and the marriage has lasted at least three years.

If the surviving spouse does not fulfil either of these criteria, he is entitled to a single settlement amounting to 3 times the annual amount of the spouse's pension.

15.2 The entitlement begins on the first of the month following the death of the insured person, but at the end of the continued payment of salary at the earliest, and it expires at the end of the month of death or with the remarriage of the surviving spouse (see Art. 15.7).

15.3 Registered partnership

Surviving registered partners have the same entitlements as surviving spouses. A newly registered partnership of the surviving registered partner is treated the same as a remarriage.

15.4 Amount of the spouse's pension

If the insured person dies before entering retirement, the spouse's pension equals 60% of the insured retirement pension (see Art. 11.7) plus 10% of the pensionable salary (see Art. 4.5).

If the insured person dies during the deferment of the retirement benefit, the spouse's pension due equals 60% of the retirement pension determined at the end of the month of death on the basis of the accrued savings capital (excluding VP savings capital) (see Art. 11.8).

If the insured person was in receipt of a disability pension before his death, the spouse's pension equals 60% of the current disability pension. If the insured person made one or several withdrawals to finance residential property, the spouse's pension due will be reduced on a corresponding actuarial basis (see Art. 25).

If the insured person was in receipt of a retirement pension before his death, the spouse's pension is 60% or 80% of the current retirement pension, depending on the decision the insured person made at retirement pursuant to Art. 11.9.

15.5 Coordination with the accident and military insurance

If the surviving spouse receives a spouse's pension from the accident or military insurance, the spouse's pension previously determined by the Pension Fund is reduced by the spouse's pension from the accident or military insurance.

The regulatory spouse's pension equals at least the minimum BVG widow's/widower's pension in every case.

- 15.6 If the surviving spouse is more than ten years younger than the deceased insured person, the surviving spouse's pension due is reduced by 2.5% of the full surviving spouse's pension for every full year by which the age difference exceeds ten years.

If the deceased insured person had completed his 60th year of age upon his marriage, the spouse's pension due is reduced by 2.5% of the amount for every full year exceeding the given age threshold at marriage.

The aforementioned reductions are cumulative.

These reductions are waived if the surviving spouse has passed his 50th year of age at the start of the entitlement and the marriage lasted at least 20 years.

The reduced spouse's pension equals at least the minimum BVG widow's/widower's pension in every case.

- 15.7 If the surviving spouse remarries, the pension entitlement expires and a lump-sum settlement amounting to two annual pension payments is paid out. Art. 15.3 (registered partnership) is taken into account accordingly.

- 15.8 The divorced spouse of a deceased insured person or pension recipient is equal to a widow/widower after the death if the marriage lasted at least ten years and the divorced spouse was awarded a pension pursuant to Art. 124e Para. 1 or Art. 126 Para. 1 of the Swiss Civil Code in the divorce decree.

The former registered partner is equal to a widow or widower upon the death of his former partner if the registered partnership lasted at least ten years and the former partner was awarded a pension pursuant to Art. 124e Para. 1 of the Swiss Civil Code or Art. 34 Para. 2 of PartG in the dissolution of the registered partnership.

There is a claim to survivors' benefits for as long as the pension would have been due.

However, the benefits of the Pension Fund are limited to that part of the maintenance amount pursuant to the divorce decree or the judgement governing the dissolution of the registered partnership that exceeds the benefits of the AHV and/or a foreign social security insurance. Survivors' benefits from the AHV are taken into account only insofar as they are higher than the claim to a pension from the IV or the AHV.

- 15.9 The provisions of Art. 42 remain reserved.

16. Life partner's pension

- 16.1 If an unmarried insured person lived until his death with an unmarried partner who was not a relative in the same house and in a joint household, the surviving partner is entitled to the same pension benefits as a surviving spouse (see Art. 15), insofar as at the time of death the surviving partner is also responsible for the maintenance of one or more joint children.

- 16.2 Furthermore, the provisions of Art. 15.4–Art.15.9 apply.

- 16.3 The BVG does not provide for a life partner's pension.

- 16.4 There is no entitlement to a life partner's pension if the surviving life partner is already in receipt of a widow's or widower's pension from the AHV or a spouse's pension from another pension scheme.

- 16.5 The insured person is obliged to register the existence of a partnership with the Pension Fund in writing.

The life partner entitled to benefits must register with the Pension Fund in writing within 6 months at the latest following the death of his partner.

17. Orphan's pension

- 17.1 If an insured person dies, an orphan's pension becomes due for every child entitled to a pension pursuant to Art. 32 on the first of the month following the death of the insured person.
- 17.2 If the insured person dies before receiving his retirement or disability pension, the orphan's pension equals 20% of the insured disability pension at the time of death (see Art. 19.3).
- 17.3 If the insured person was in receipt of a retirement or disability pension before his death, the orphan's pension equals 20% of the current retirement or disability pension.
- 17.4 Coordination with the accident and military insurance

If the child entitled to a pension receives an orphan's pension from the accident or military insurance, the regulatory orphan's pension of the Pension Fund is reduced by the orphan's pension from the accident or military insurance.

The orphan's pension due equals the minimum BVG orphan's pension in every case.

- 17.5 If a child is a full orphan, the regulatory orphan's pension is doubled.
- 17.6 The provisions of Art. 42 remain reserved.

18. Lump-sum death benefit

- 18.1 If an insured person or a person entitled to a pension dies, the following designated persons are entitled to a lump-sum death benefit, subject to Art. 18.8, Art. 18.10 and Art. 18.11:
- a) The surviving spouse or the surviving registered partner and the children of the deceased person entitled to a pension pursuant to Art. 32.
 - b) In the absence of beneficiaries pursuant to letter a: natural persons who were significantly supported by the deceased person at the time of his death or the person who verifiably had been living together with the deceased person with no interruption for the last five years before his death or who is responsible for the support of one or more joint children. The insured person is obliged to register the beneficiaries and the domestic partnership with the Pension Fund in writing. The Pension Fund acknowledges the receipt of such a notification.

A beneficiary pursuant to letter b who is in receipt of a widow's or widower's pension has no entitlement to the lump-sum death benefit.
 - c) In the absence of beneficiaries pursuant to letter b: the other children, the parents or the siblings of the deceased person.
- 18.2 The insured person can determine the entitlements of the beneficiaries within any group of beneficiaries (Art. 18.1 a, b or c) as he wishes. Notification of this must have been received by the Pension Fund during the lifetime of the deceased person.

If no notification was received by the Pension Fund during the lifetime of the deceased person, the lump-sum death benefit due within the group of beneficiaries is divided between the beneficiaries as follows:

- Beneficiary group a: All beneficiaries to an equal amount.
- Beneficiary group b: All beneficiaries to an equal amount.
- Beneficiary group c: The other children to equal amounts,

in the absence of whom, the parents to equal amounts,
in the absence of whom, the siblings to equal amounts.

- 18.3 The person making a claim must prove his entitlement within 3 months following the death of the insured person in the event that the claim is contested.
- 18.4 If there are no beneficiaries pursuant to Art. 18.1, any remaining savings capital (incl. the VP savings capital) remains with the Pension Fund.
- 18.5 With the death of an insured person, the lump-sum death benefit equals the maximum of the following two amounts:
- The accrued savings capital at the time of death.
 - The pensionable salary, reduced by any advance withdrawals to finance residential property, without interest.

The lump-sum death benefit is reduced by any settlements in the place of a spouse's or life partner's pension.

If a spouse's or life partner's pension is due in addition, the lump-sum death benefit is reduced by the cash value of this pension.

The lump-sum death benefit is at least equal to CHF 0.-- in every case.

The lump-sum death benefit just determined is increased by any accrued VP savings capital.

- 18.6 With the death of a disabled person before the retirement age of 65, the lump-sum death benefit equals the maximum of the following two amounts:
- The accrued savings capital at the time of death.
 - The pensionable salary at the start of the disability, reduced by any advance withdrawals to finance residential property, without interest.

If a spouse's or life partner's pension is due in addition, the lump-sum death benefit is reduced by the cash value of this pension.

The lump-sum death benefit is reduced by any settlements in the place of a spouse's or life partner's pension.

The lump-sum death benefit is at least equal to CHF 0.-- in every case.

The lump-sum death benefit just determined is increased by any accrued VP savings capital.

- 18.7 In the event of the death of a disabled person after the retirement age of 65 and before completion of the 70th year of age, the lump-sum death benefit equals 500% of the annual disability pension from the age of 65, reduced by the disability pensions received from the age of 65, without interest.

If a spouse's or a life partner's pension is due in addition, the lump-sum death benefit is reduced by the annual spouse's or life partner's pension multiplied by the remaining time in years (including part years), up until the time when the deceased disabled person would have completed his 70th year of age.

The lump-sum death benefit is reduced by any settlements in the place of a spouse's or life partner's pension.

The lump-sum death benefit is at least equal to CHF 0.-- in every case.

- 18.8 In the event of the death of a disabled person after completion of his 70th year of age, no lump-sum death benefit is due.

- 18.9 In the event of the death of a retired person within the first five years of his retirement, the lump-sum death benefit equals 500% of the annual retirement pension at retirement, reduced by the retirement pensions received, without interest.

If a spouse's or a life partner's pension is due in addition, the lump-sum death benefit is reduced by the annual spouse's or life partner's pension multiplied by the remaining time in years (including part years), until the expiry of the first 5 years following retirement.

The lump-sum death benefit is reduced by any settlements in the place of a spouse's or life partner's pension.

The lump-sum death benefit is at least equal to CHF 0.-- in every case.

- 18.10 In the event of the death of a retired person after the expiry of 5 years following his retirement, no lump-sum death benefit is due.
- 18.11 In the event of the death of the surviving spouse or registered partner entitled to a pension, no lump-sum death benefit is due.

19. Disability pension

- 19.1 If an insured person becomes disabled before the completion of his 65th year of age (see Art. 9), he receives a disability pension.

- 19.2 As a rule, the start of the disability pension is the same as the start of the IV disability pension. However, for as long as there is no disability within the meaning of these pension fund regulations (see Art. 9), there is no entitlement to a pension vis-à-vis the Pension Fund.

If the insured person completes his 65th year of age as a disabled person, he continues to be entitled to a disability pension to the amount of his former level of disability.

The entitlement to a pension expires once the disability no longer applies or with the death of the insured person.

- 19.3 Amount of the full disability pension

For a fully disabled insured person (level of disability at least 70%), the disability pension equals 45% of the pensionable salary until the end of the month in which the disabled person completes his 65th year of age.

On the first of the month after completion of the 65th year of age, the disability pension is determined on the basis of the savings capital that continues to be managed (excl. the VP savings capital) using the conversion rate at retirement age 65 (see Appendix 2). The co-insured spouse's pension or life partner's pension equals 60% of the current disability pension (see Art. 15.4).

- 19.4 Coordination with the accident and military insurance

If the insured person receives a disability pension from the accident or military insurance, the disability pension previously determined by the Pension Fund is reduced by the disability pension from the accident or military insurance.

The regulatory disability pension equals the minimum BVG disability pension in every case.

- 19.5 For a partially disabled insured person, the partial disability pension, according to level of disability, equals:

	Level of disability in %	Partial disability pension in % full disability pension
Less than	40%	0%
At least	40%	25%
At least	50%	50%
At least	60%	75%
At least	70%	100%

- 19.6 If an insured person is entitled to a partial disability pension, the Pension Fund shall divide his savings capital (incl. the VP savings capital) into a disabled and an active part as follows:

	Level of disability in %	Disabled part of the savings capital in % of the total savings capital	Active part of the savings capital in % of the total savings capital
Less than	40%	0%	100%
At least	40%	25%	75%
At least	50%	50%	50%
At least	60%	75%	25%
At least	70%	100%	0%

- 19.7 In the event of disability due to sickness or accident, as well as during the period of receipt of daily benefits, the duty of the company and of the insured person to pay contributions is waived according to the percentage of the partial disability pension.

The disabled part of the savings capital (incl. the VP savings capital) continues to accrue on the basis of the level of disability, the corresponding share of the pensionable salary pursuant to Art. 4.5 (for pension benefits due to disability), the savings credits pursuant to Appendix 1 and the interest rate pursuant to Art. 4.8.

The exemption from contributions and the accrual of the disabled part of the savings capital commence with the start of the IV pension, but after the termination of the continued payment of salary at the earliest. The savings credits from the time of the disability equal those of the savings plan (Plan A or Plan B) chosen by the insured person, subject to the conditions pursuant to Art. 5.5. If an insured person has taken advantage of the voluntary continued insurance and suspended the retirement savings pursuant to Art. 7.4, Plan A shall apply from the start of the IV pension.

- 19.8 If a partially disabled insured person leaves the company since there is no longer a suitable position for him, he receives the partial disability pension together with any associated children's pensions. In addition, a vested benefit is paid out for the active part pursuant to Art. 21. The spouse's, life partner's and orphan's pensions that continue to be insured, as well as the lump-sum death benefit, are calculated according to the current partial disability pension.
- 19.9 If the insured person at his admittance to the Pension Fund was at least 20% but less than 40% incapable of working because of a congenital defect and if he was insured in the Pension Fund at the time of the increase in his incapacity for work to more than 40%, the reason for which led to his disability, he is entitled to the minimum disability benefits pursuant to the provisions of the BVG.
- 19.10 If the insured person became disabled as a minor and if he was therefore at least 20% but less than 40% incapable of working at his admittance to the Pension Fund, and if he was insured in the Pension Fund at the time of the increase in his incapacity for work to more than 40%, the reason for which led to his disability, he is entitled to the minimum disability benefits pursuant to the provisions of the BVG.

19.11 Lump-sum option

The insured person can request that, upon completion of his 65th year of age, his disability pension due from the 1st day of the following month or a part thereof should be paid out as a one-off lump sum. The notification period is one month. After the expiry of the notification period, the decision becomes definitive.

The amount of the lump sum is based on the disability pension due from the age of 65 or a part thereof, by division with the valid conversion rate at the age of 65 pursuant to Appendix 2.

With the payment of the lump sum, the further entitlements of the insured person or his survivors vis-à-vis the Pension Fund are reduced on the basis of that part of the disability pension that is withdrawn as a lump sum.

In the case of married insured persons or insured persons living in a registered partnership, the application must be signed by both spouses or by both registered partners, and the signatures must be certified.

19.12 Entitlement to the accrued VP savings capital

If the insured person is entitled to a full disability pension, he may request the payment of the accrued VP savings capital (see Art. 4.7).

In all other cases, the disabled person is entitled to the accrued VP savings capital at the end of his 65th year of age.

20. Disabled person's child's pension

20.1 Insured persons who receive a disability pension from the Pension Fund are entitled to a disabled person's child's pension for every child pursuant to Art. 32.

20.2 The annual disabled person's child's pension equals 20% of the disability pension due.

20.3 The pension begins with the disability pension pursuant to Art. 19.2 and ends if the disability no longer applies or if the possible entitlement to a child's pension pursuant to Art. 32 expires.

D Termination conditions

21. Vested benefits

21.1 If the company releases an insured person from his employment relationship before retirement and if there is no entitlement to pension benefits, the insured person leaves the Pension Fund and is entitled to a vested benefit.

21.2 The amount of the vested benefit equals the accrued savings capital plus the accrued VP savings capital (see Art. 15 FZG: Entitlements in the defined contribution scheme).

21.3 In every case the vested benefit equals at least the statutory provisions.

21.4 The insured person receives a statement on his vested benefit.

21.5 The vested benefit becomes due upon departure from the pension fund. From this time onwards it earns interest at the minimum BVG interest rate (see Appendix 7 with figures). If the Pension Fund does not transfer the vested benefit within 30 days after it has received the necessary information, it earns interest at the interest rate determined by the Federal Council (see Appendix 7 with the figures) after the expiry of this deadline.

- 21.6 If, in the event of an existing funding deficiency (see Art. 41.2), the regulatory interest paid on the savings capital (see Art. 4.8) is lower than the BVG minimum interest rate (see Appendix 7 for the figures), the minimum amount of the vested benefit is determined pursuant to Art. 17 FZG with the help of the regulatory interest rate.

22. Use of the vested benefit

- 22.1 If the insured person enters a new pension scheme, the Pension Fund transfers the vested benefit to the new pension scheme.
- 22.2 Insured persons who do not join a new pension scheme must notify the pension fund whether the vested benefit should be
- a) transferred to a Swiss life insurance company or to the pool for vested benefits policies to set up a vested benefits policy, or
 - b) transferred to a vested benefits account with a vested benefits foundation

If this notification is not made, the vested benefit shall be transferred to the Substitute Occupational Benefits Institution (see Art. 60 BVG) after six months at the earliest and two years at the latest following the vested benefit case.

- 22.3 The insured person can request the cash payment of the vested benefit, if
- a) he is leaving Switzerland or the Principality of Liechtenstein permanently, subject to Art. 22.4, or
 - b) he is taking up self-employment and is therefore no longer subject to the mandatory employee benefits insurance, or
 - c) the vested benefit is less than one annual contribution of the insured person.

For insured members who are married or living in a registered partnership, the lump-sum payment is only permissible if the spouse or registered partner has given his written consent by means of a certified signature.

- 22.4 The mandatory BVG part of the vested benefit (BVG retirement assets) must not be paid out in cash if the insured person
- a) leaves Switzerland permanently and
 - b) has a new domicile in a member state of the EU or EFTA and
 - c) is subject to mandatory pension insurance in the new domicile and continues to be insured against the risks of old-age, disability and death.

In this case, the mandatory BVG part of the vested benefit in Switzerland must be transferred to a Swiss life insurance company, or to the pool for vested benefits policies or to a bank pursuant to the provisions of Art. 22.2.

23. Extended cover/extended liability period

- 23.1 The insured death or disability pension benefits at the time of the termination of the pension relationship remain insured as previously until the start of a new pension relationship, but for one month at the most (extended cover period).
- 23.2 If the insured person is not fully capable of working at the time of the termination of the pension relationship or the expiry of the extended cover period and if he is subsequently declared disabled within 360 days because of the same ailment (see Art. 9), he is entitled to a disability pension. If the level of disability is increased because of the same ailment within a further 90 days, the disability pension is increased accordingly.

- 23.3 If the level of disability of an insured person increases at the termination of the pension relationship or upon the expiry of the extended cover period within 90 days because of the same ailment, the disability pension is increased accordingly.
- 23.4 If the disability or the increase in the level of disability does not occur within the given time periods, any entitlement to a disability pension or to an increase in the disability pension is determined exclusively according to the minimum provisions of the BVG.
- 23.5 If the Pension Fund has to pay survivors' or disability benefits after it has transferred the vested benefit, the vested benefit must be repaid in the amount necessary for the amount of the survivors' or disability benefits to be paid. The survivors' and disability benefits are reduced on an actuarial basis for as long as this reimbursement is pending.

E Promotion of home ownership

24. Financing of residential property

- 24.1 An insured person can pledge or withdraw in advance an amount for the financing of residential property for own use until the day before the completion of his 62nd year of age at the latest pursuant to the provisions of the WEF (Art. 30a–30g BVG).
- 24.2 Up until the completion of the 50th year of age the amount is limited to the relevant amount of the vested benefit, after completion of the 50th year of age to the amount of the vested benefit at the age of 50 or to half of the accrued vested benefit, if this is higher.
- 24.3 The advance withdrawal equals at least CHF 20,000.
- 24.4 For married insured persons as well as for insured persons in a registered partnership, the pledge or advance withdrawal is only permitted if the spouse or the registered partner agrees to this in writing.
- 24.5 The advance withdrawal means the residential property is subject to a sales restriction. The sales restriction must be registered with the property register. This is done by the pension fund.

25. Reduction in the insured pension benefits in the case of an advance withdrawal

- 25.1 The accrued savings capital (incl. the VP savings capital) is reduced by the advance withdrawal.
- 25.2 The insured retirement benefits as well as the vested benefit are reduced accordingly on the basis of the reduced savings capital.
- 25.3 The insured survivors' benefits of the active insured persons are reduced accordingly on the basis of the reduced savings capital.
- 25.4 The insured survivors' benefits of disabled insured persons are reduced on a corresponding actuarial basis on the basis of the amount of the advance withdrawal. The reduction is carried out on the first of the month following the death of the insured person.
- 25.5 The Pension Fund informs the insured person making the advance withdrawal of options for balancing out the reduction in benefits by means of additional insurance in the event of death. The contributions for this must be paid by the insured person in full.

26. Repayment of the advance withdrawal

- 26.1 The amount that has been withdrawn in advance must be repaid if
- the residential property is sold,
 - a third party is granted rights to the property which are equivalent to the sale of the property,
 - the amount in the event of death cannot be settled with the survivors' benefits.
- 26.2 The minimum amount for a repayment is CHF 10,000.
- 26.3 In addition, the insured person can repay the advance withdrawal at any time, subject to the conditions of Art. 26.4.
- 26.4 The repayment is permissible until
- retirement age is reached,
 - the occurrence of a benefits case, or
 - the lump-sum payment of the vested benefit.

F Divorce, dissolution of a registered partnership

27. Division of the vested benefit due to divorce

- 27.1 In the event of divorce or the dissolution of a registered partnership, the share of the benefit acquired during the period of the marriage or the registered partnership (termination benefit or share of pension) determined by a court is transferred according to the statutory provisions to the pension scheme of the divorced spouse or the former registered partner (divorce compensation).
- 27.2 The payment of part of the vested benefit at divorce results in a reduction in the insured benefits in the same way as an advance withdrawal to finance residential property.
- 27.3 If, in the case of retired persons and disabled persons who have exceeded the normal retirement age, a share of the pension is transferred, the retirement pension or the newly determined disability pension after completion of the normal retirement age following the entry into force of the divorce decree is reduced by the pension share transferred.
- 27.4 The pension share awarded to the entitled spouse is converted into a lifelong pension pursuant to the provisions of Art. 19h FZV. The point in time when the divorce became legally binding is decisive for the conversion. If the entitled spouse is entitled to a full IV pension or if he has reached the minimum age pursuant to the BVG for early retirement, he can request a lump-sum payment. In all other cases, until the AHV normal retirement age is reached, the annual amount of the lifelong pension plus interest pursuant to Art. 19j Para. 5 FZV is transferred to the pension scheme of the entitled spouse by 15 December of the relevant year at the latest. The provisions of Art. 19j Para. 2 remain reserved.
- 27.5 If the Pension Fund is not notified of the pension scheme of the entitled spouse, it then transfers the amount to the Substitute Occupational Benefits Institution after six months at the earliest, but at the latest two years following the date for the transfer of the amount (termination benefit awarded or the annual amount of the lifelong pension on an annual basis). The transfer of the lifelong pension to the Substitute Occupational Benefits Institution is carried out until the Pension Fund receives the information about the pension scheme of the entitled spouse.
- 27.6 If the retirement pension claim occurs for an obliged spouse during the divorce proceedings, the part of the termination benefit and the retirement pension to be transferred is reduced. The reduction corresponds to the amount by which the pension payments would have been reduced until the divorce decree entered into force if the calculation had been based on savings capital

reduced by the transferred part of the termination benefit. The reduction is divided equally between both of the spouses.

27.7 If the obliged spouse receives a disability pension and if he reaches the normal retirement age during the divorce proceedings, the part of the termination benefit to be transferred and the pension are reduced pursuant to Art. 124 Para. 1 ZGB. The reduction corresponds to the amount by which the pension payments would have been reduced between reaching normal retirement age and until the divorce decree entered into force if the calculation had been based on the savings capital reduced by the transferred part of the termination benefit. The reduction is divided equally between both of the spouses.

27.8 The entitlement to a child's pension that is valid at the time of the instigation of divorce proceedings, as well as any possible orphan's pension derived from this, is not affected by the divorce compensation.

28. Compensation for the transferred amount

The insured person can compensate for the transferred termination benefit with voluntary deposits. In the case of disabled persons, there is no entitlement to repurchases following the transfer of an amount pursuant to Art. 124 Para. 1 ZGB.

G General provisions governing the pension benefits

29. Payment

29.1 As a rule, the pensions are paid in monthly instalments and in Swiss Francs (CHF), rounded up to the nearest franc, at the end of the month to the post office or bank account of the person entitled to a pension.

If a person entitled to a pension requests that his pension should be paid outside of Switzerland, the European Community and the EFTA states (Iceland, Liechtenstein or Norway), the transaction costs must be paid by the person entitled to a pension.

29.2 The full pension is paid in the month when the entitlement to a pension expires.

29.3 Insurance benefits and reimbursements that are not paid out to the beneficiaries for whatever reason remain with the Pension Fund

30. Assignment, pledging and offsetting

30.1 Prior to maturity, the claims to benefits may neither be pledged nor transferred. The provisions governing the promotion of home ownership with vested pension accruals pursuant to Art. 24 – 26 of these Pension Fund Regulations remain reserved.

30.2 Benefit claims from these Pension Fund Regulations may be offset against claims assigned to the Pension Fund by the employer only if these claims refer to contributions that were not deducted from the salary.

31. Reduction of the pension benefits in the case of over-insurance

31.1 If the pension benefits of the Pension Fund for death or disability together with the benefits from the AHV/IV, the accident or military insurance and any foreign social security schemes together equal a total income of more than 100% of the last full pensionable annual salary pursuant to Art. 4.5 (i.e. in the case of full-time employment), the pension benefits of the Pension Fund will be reduced to the extent that the given threshold is no longer exceeded. In addition, any income that

the recipient of disability benefits still earns or can be reasonably expected to earn or any replacement income is also taken into consideration. Any lump-sum benefits are converted into equivalent pensions. Satisfaction payments are excluded from the coordination.

- 31.2 If, in the event of divorce, a disability pension is divided, the share of the pension that was awarded to the entitled spouse continues to be taken into account in the calculation of any reduction in the disability pension of the obliged spouse.
- 31.3 The income of the widow or widower and that of the orphan(s) are added together.
- 31.4 Any benefits from private insurance as well as benefits from insurances that are expressly identified as not creditable by the company are excluded from every calculation.
- 31.5 If the AHV/IV, the military insurance, the accident insurance or a foreign social security scheme reduces, withdraws or refuses its benefits because the beneficiary caused the death or disability by gross negligence or because he objects to a rehabilitation measure ordered by the IV, the pension fund may reduce its benefits to the same degree.

In every case, the benefits of the accident or military insurance and any foreign social security schemes that have not been reduced are taken into account in the calculation pursuant to Art. 31.1.

- 31.6 Eligible persons must assign their claims vis-à-vis third parties to the Pension Fund to the degree that the pension benefits of the Pension Fund together with the compensation owed from third parties for the same period exceed the corresponding damage. The pension benefits are deferred until the assignment is made.
- 31.7 If the insured person is no longer insured with the Pension Fund at the time of the occurrence of the benefit claim, but was most recently a member, the Pension Fund has a duty to make advance payments to the amount of the statutory minimum benefits. If the pension scheme liable for the payment of benefits is identified at a later date, the Pension Fund is entitled to recourse.

32. Entitlement to child's pensions

- 32.1 Child's pensions include pensions for the children of retired or disabled insured persons as well as orphan's pensions.
- 32.2 In the case of the receipt of a retirement pension or in the event of death or disability, there is an entitlement to a child's pension for
- children until completion of their 18th year of age,
 - children still in training or education until the conclusion of their studies, insofar as they do not also have a full-time occupation, but until the completion of their 25th year of age at most, and
 - disabled children who have a disability level of at least 70% until they become capable of working, but until completion of their 25th year of age at most.
- 32.3 Children are deemed to be those persons within the meaning of Art. 252 ZGB. Foster children who are fully or to a large part supported by the insured person are equal to children.

33. Subrogation

Pursuant to Art. 18.1, the Pension Fund assumes, from the date the insured event occurred, the claims of the insured person and his survivors up to the amount of the regulatory benefits vis-à-vis a third party liable for the insured event.

34. Reimbursement of benefits wrongly received

- 34.1 Wrongly received benefits must be reimbursed. Reclamation can be waived if the recipient of benefits received them in good faith and repayment would lead to great hardship.
- 34.2 Claims for repayment expire one year after the Pension Fund became aware of the incorrect payment, but five years after the benefit was paid at the latest. If a claim for repayment is derived from a punishable offence for which criminal law applies a longer period of limitation, the latter period will apply.

35. Adjustment to inflation

- 35.1 The retirement, survivors' and disability pensions are adjusted in line with inflation, taking into account the financial situation of the Pension Fund. The Foundation Board decides on an adjustment on an annual basis and explains its decision in the annual report.
- 35.2 By decree of the Federal Council, the minimum BVG survivors' pensions and BVG disability pensions are adjusted to inflation in the "shadow account" (see Art. 2.2). For as long as the BVG survivors' pensions and BVG disability pensions are lower than the regulatory survivors' pensions and disability pensions, the regulatory survivors' pensions and disability pensions remain the same. If the adjusted BVG survivors' pensions and BVG disability pensions are higher than the regulatory survivors' pensions and disability pensions, the regulatory survivors' pensions and disability pensions are adjusted accordingly.

36. Expiry of entitlement to compensation

- 36.1 The entitlement to benefits is not limited as long as the insured person had not left the Pension Fund at the time of the insured event.
- 36.2 Claims for regular contributions and benefits (incl. any savings credits in the case of disability) expire after five years; other claims after ten years. Art. 129–142 of the Swiss Code of Obligations apply.
- 36.3 Furthermore, the provisions of Art. 41 BVG apply.

37. Duty to provide information

- 37.1 The Pension Fund must provide information on events that have an impact on the pension benefits, such as
- entitlement to an IV disability pension,
 - changes to the level of disability of persons entitled to receive a pension,
 - death of pension recipient,
 - completion of the education of children older than 18 for whom pensions are received,
 - change in civil status.
- 37.2 Insured persons and pension recipients who were awarded a lifelong pension in a divorce decree must inform the Pension Fund of their lifelong pension entitlement and provide details of the pension scheme of the obligated spouse. If they leave the Pension Fund, they must inform the pension scheme of the obligated person by 15 November of the applicable year at the latest.
- 37.3 The following documents must be submitted to the Pension Fund in order to claim pension benefits: life certificate, proof of age, death certificate, medical certificate, etc.
- 37.4 The Pension Fund shall not be liable for the consequences of any violation of the duty to provide information.

- 37.5 Every insured person receives a pension certificate annually that shows his contributions, his insured pension benefits and the amount of his vested benefit. In addition, the insured persons are informed pursuant to Art. 86b BVG.
- 37.6 In addition, the Pension Fund informs the insured persons annually about the organisation and the financing as well as the composition of the Foundation Board. Upon request, it also provides the insured persons with technical information on the financial situation of the Pension Fund.
- 37.7 In the event of divorce or the legal dissolution of a registered partnership, upon request the Pension Fund provides the insured person or the court with information pursuant to the provisions of Art. 24 Para. 3 FZG or Art. 19k FZV (information that is required for the calculation of the pension benefits to be divided).
- 37.8 The Pension Fund informs the 2nd Pillar Central Office by the end of January every year of all the persons for whom savings capital or assets were managed in December of the previous year.
- 37.9 The requisite benefits documents are stored for 10 years following the termination of the duty to pay benefits or after the transfer of the termination benefit.

H Financing

38. Contributions and duty to pay contributions

- 38.1 The duty to pay contributions starts upon admission to the Pension Fund and lasts until
- retirement (early or according to the regulations), or
 - departure, or
 - the end of the month of death of the insured person, or
 - in the event of incapacity for work and/or disability if the company has a duty for the continued payment of salary,
- but at the latest until the 70th year of age.
- 38.2 The contributions of the insured persons are deducted from their salary by the company and transferred to the Pension Fund on a monthly basis together with the contributions of the company.
- 38.3 The contributions of the insured persons and of the company to finance the pension benefits are determined on the basis of the insurance age (see Art. 4.2) and the pensionable salary of the insured person, according to the plan.
- The contribution rates for Plans A and B are defined in Appendix 1.
- 38.4 Transfer to the next level of contributions takes place on 1 January every year.
- 38.5 The savings contributions are used for the accrual of the individual savings capital by means of savings credits (see Art. 4.6). In the event of death before retirement, the accrued savings capital is used to help finance the survivors' benefits.
- 38.6 The risk contributions are used to finance the survivors' and disability benefits.
- 38.7 The amount of the savings and risk contributions as well as any contributions to guarantee the conversion rates can be redefined by the Foundation Board on 1 January each year.
- 38.8 Unpaid leave

For the duration of unpaid leave of a maximum of one year, the savings contributions of the insured person and the company are waived. During this time, the insured person remains insured for the previously insured survivors' and disability benefits and must pay the full risk contribution.

In this case, the pensionable salary equals the last pensionable salary before the start of the unpaid leave for the whole period of the unpaid leave.

The insured person can waive the risk insurance for the whole of the unpaid leave by means of a written waiver and thus does not have to pay any risk contributions. In this case, the pensionable salary is set to CHF 0.-- for the whole of the unpaid leave.

The company must inform the Pension Fund of the unpaid leave of an insured person before it begins.

38.9 Contribution to the BVG Security Fund

The Pension Fund pays the annual contribution to the BVG Security Fund.

39. Termination benefits brought into the pension fund

39.1 The insured person must transfer the vested benefits from previous pension relationships to the Pension Fund.

39.2 If the insured person entering the Pension Fund made an advance withdrawal for the financing of residential property with a prior pension scheme and if he does not transfer this advance withdrawal to the Pension Fund, this is taken into account accordingly in Art. 18 (lump-sum death benefit).

40. Purchase

40.1 From the insurance age of 25, the insured person can generally increase his savings capital as a percentage of his pensionable salary up to a maximum amount once per calendar year by means of an additional purchase sum. The maximum possible purchase sum is calculated on the basis of the difference between the maximum possible savings capital pursuant to the table in Appendix 4 (depending on the pension plan) and the accrued savings capital on 31 December of the current year.

40.2 The maximum possible purchase sum is reduced by any vested benefits that have not been transferred to the Pension Fund pursuant to Art. 3 and Art. 4 Para. 2bis FZG. In addition, the maximum possible purchase sum is reduced by that part of any Pillar 3a assets that exceeds the maximum possible assets in Pillar 3a pursuant to Art. 60a Para. 2 BVV2.

40.3 If advance withdrawals were made to finance residential property, voluntary purchases may only be made once these advance withdrawals have been repaid. Active insured persons who have opted for deferred retirement and who have taken advantage of an advance withdrawal to finance residential property, may make voluntary purchases after reaching retirement age, insofar as the purchases together with the savings capital and the advance withdrawals do not exceed the maximum possible purchases pursuant to the regulations (Appendix 2, Appendix 3 and Appendix 4).

If the insured person can no longer repay his advance withdrawals pursuant to Art. 30d Para. 3 BVG or Art. 7 WEFV, the maximum possible purchase sum is reduced by the total amount of these advance withdrawals.

40.4 If the Pension Fund has to transfer part of the vested benefit to the pension scheme of the divorced spouse or the former partner pursuant to Art. 22 et seq. FZG in the event of divorce or the dissolution of the registered partnership, the insured person can make purchases in the Pension Fund within the framework of the vested benefit transferred (see Art. 28).

40.5 Purchase to compensate for the effects of early retirement

Upon admittance to the Pension Fund or later, an insured person can make one or several additional purchases in order to compensate fully or in part for the reduction in the insured retirement

pension at the regulatory retirement age in the event of early retirement between the ages of 58 and 65. These additional purchase sums are credited to a separate VP savings account and earn interest accordingly. The maximum additional purchase sum equals the difference between the additional purchase sum on the reference date pursuant to Appendix 5 and the accrued VP savings capital.

With the application for the first additional purchase sum in the Pension Fund, the insured person determines his preferred retirement age (full years only possible). Before completion of the 58th year of age, the retirement age determined can be increased, but up to the age of 64 at most. Once the retirement age has been set, it can no longer be reduced.

Once the agreed retirement age is reached, as a rule the retirement benefit becomes due. If the insured person extends his employment relationship beyond the agreed age of retirement, the pensionable salary is set at CHF 0.-- and only the savings capital and the VP savings capital continue to earn interest. In this case, the retirement benefit is deferred until the definitive termination of the employment relationship.

In every case, the retirement pension due equals at most 105% of the insured retirement pension once the agreed retirement age is reached (see Art. 11.7). The conversion rate at retirement age 65 is taken into account in this, which is valid in the calendar year when the agreed retirement age is reached.

- 40.6 The company can pay purchase sums for individually insured persons.
- 40.7 If purchases are made, the resulting pension benefits may not be withdrawn as a lump sum (see Art. 11.5 and Art. 22.3) or as an advance withdrawal (see Art. 24) in the following three years. Repurchases in the case of divorce or the dissolution of a registered partnership are excluded from this.
- 40.8 The directives of the tax authorities regarding the tax deductibility of purchases as well as the tax liability of lump-sum benefits must be observed by the insured person.

41. Actuarial check

- 41.1 The Foundation Board has an actuarial balance sheet drawn up by an accredited pension actuary on an annual basis (see Art. 52d BVG).
- 41.2 If a funding deficiency is identified on the basis of an actuarial check pursuant to Art. 44 BVV2, the Foundation Board must look at restructuring measures.

42. Restructuring measures

- 42.1 In the event of an existing funding deficiency pursuant to Art. 44 BVV2, the Foundation Board analyses the reasons for this and draws up appropriate measures that will lead to the re-attainment of the financial status quo in a reasonable period of time. Taking into account the statutory principles and the directives issued by the Federal Council, it drafts a programme of measures which it checks for efficacy on an ongoing basis and updates where necessary.
- 42.2 In the programme of measures, the Foundation Board can pass resolutions on
 - a) levying restructuring contributions from the insured persons,
 - b) levying restructuring contributions from the company,
 - c) levying restructuring contributions from those persons entitled to receive a pension,
 - d) reducing the interest rate for the interest paid on the savings capital pursuant to Art. 4.8, and
 - e) a temporary reduction in the savings credits pursuant to Appendix 1.

In addition, in its programme of measures, the Foundation Board can limit the payment of advance withdrawals for residential property by postponing them, restricting the amount withdrawn or by refusing them altogether if the advance withdrawal is to repay a mortgage.

The minimum pension benefits pursuant to the BVG in the event of retirement, death and disability may not be reduced.

- 42.3 For persons entitled to a pension, the levying of the restructuring contribution is carried out by offsetting with the current pensions. The restructuring contribution equals the sum of the pension increases in the past 10 years at most. The amount of the pension at the time of the entitlement to benefits remains guaranteed in every case.
- 42.4 The programme of measures is drafted in collaboration with the pension actuary.
- 42.5 The active insured persons, the company, the persons entitled to a pension as well as the supervisory authority responsible are informed about the existing funding deficiency and the programme of measures that has been agreed.

43. Partial liquidation

The conditions and procedures for partial liquidation are set out in separate regulations.

I Organisation and management

The organisation and management of the Pension Fund are set out in separate regulations.

J Transitional and final provisions

44. Jurisdiction

- 44.1 Disputes about the use or interpretation of these Pension Fund Regulations or regarding questions that are not expressly determined by these Pension Fund Regulations should first be presented to the Foundation Board for an amicable settlement.
- 44.2 Disputes between an insured or eligible person and the Pension Fund that cannot be mediated internally shall be presented to the cantonal insurance court for a decision. The place of jurisdiction is the Swiss registered office or the Swiss place of residence of the defendant or the location of the company where the insured person is employed. For any further appeal, the provisions of the BVG shall apply.
- 44.3 If these Pension Fund Regulations are translated into other languages, only the German version of the text is binding in matters of interpretation.

45. Omissions in the Pension Fund Regulations

In cases where these Pension Fund Regulations do not express a specific ruling, the Foundation Board is authorised to implement a corresponding regulation that reflects the purpose and the meaning of the Pension Fund. The statutory provisions must be observed in this.

46. Changes, entry into force

- 46.1 These Pension Fund Regulations enter into force on 1 January 2021, replacing the version of 1 January 2015 and all the addenda.

- 46.2 The regulatory provisions of these Pension Fund Regulations apply subject to any developments in the statutory provisions and the interpretation thereof, as well as the development of supervisory practice and jurisprudence.
- 46.3 These Pension Fund Regulations may be changed by the Foundation Board at any time. Changes to the Pension Fund Regulations must never have as a consequence that the Foundation assets are alienated from the purpose of the Foundation, i.e. pension provision for the employees of the company. Entitlements that have already been awarded are not affected by any changes to the Pension Fund Regulations, subject to the provisions of Art. 42 (restructuring measures) as well as the regulations governing the partial liquidation of the Pension Fund.
- 46.4 Changes to the Pension Fund Regulations are submitted to the relevant supervisory authority for information.

47. Transitional provisions for the recipients of pensions

- 47.1 The current retirement and survivors' pensions as well as the co-insured survivors' benefits are not affected by the provisions of these Pension Fund Regulations upon their entry into force.
- 47.2 For disabled persons entitled to a pension at the time of the entry into force of these Pension Fund Regulations whose pensions started after 1 January 1995, the disabled part of the savings capital based on the level of disability, of the corresponding share of the pensionable salary pursuant to Art. 4.5 (for pension benefits because of disability), of the savings credits pursuant to Appendix 1 and of the interest rate pursuant to Art. 4.8 continue to accrue.

On the first of the month after completion of the 65th year of age, the disability pension is determined on the basis of the savings capital that continues to be managed (incl. the VP savings capital) using the conversion rate at retirement age 65 (see Appendix 2). The co-insured spouse's pension or life partner's pension equals 60% of the current disability pension (see Art. 15.4).

48. Transitional provisions for the active insured and the disabled with savings capital

- 48.1 The purchases still outstanding that were calculated on 1 January 2018 in the transitional provisions to Addendum 2 of the Pension Fund Regulations of the Leica Pension Fund of 1 January 2015 are not affected by the provisions of these Pension Fund Regulations. The details are defined in Appendix 8.

Contributions of the insured persons from 1 January 2021

as a percentage of pensionable salary

Plan A

Insurance age	Risk contribution	Savings contribution	Total contribution
18 - 20	1.00%	0.00%	1.00%
21 - 24	1.00%	2.00%	3.00%
25 - 34	1.00%	4.00%	5.00%
35 - 44	1.00%	5.50%	6.50%
45 - 54	1.00%	7.50%	8.50%
55 - 65	0.75%	9.50%	10.25%
66 - 70	0.00%	9.50%	9.50%

Plan B

Insurance age	Risk contribution	Savings contribution	Total contribution
18 - 20	1.00%	0.00%	1.00%
21 - 24	1.00%	2.00%	3.00%
25 - 34	1.00%	4.00%	5.00%
35 - 44	1.00%	5.50%	6.50%
45 - 54	1.00%	9.50%	10.50%
55 - 65	0.75%	11.50%	12.25%
66 - 70	0.00%	11.50%	11.50%

The risk contributions of the insured persons are used to finance the insured risk benefits.

Contributions of the company from 1 January 2021

as a percentage of pensionable salary

Plans A and B

Insurance age	Risk contribution	Savings contribution	Total contribution
18 - 20	1.00%	0.00%	1.00%
21 - 24	1.00%	2.00%	3.00%
25 - 34	1.00%	4.00%	5.00%
35 - 44	1.00%	5.50%	6.50%
45 - 54	1.00%	9.50%	10.50%
55 - 65	0.75%	11.50%	12.25%
66 - 70	0.00%	11.50%	11.50%

The risk contributions of the company are used to finance the insured risk benefits.

Savings credits from 1 January 2021

Insurance age	Savings credits as a percentage of pensionable salary	
	Plan A	Plan B
18 - 20	0.0%	0.0%
21 - 24	4.0%	4.0%
25 - 34	8.0%	8.0%
35 - 44	11.0%	11.0%
45 - 54	17.0%	19.0%
55 - 65	21.0%	23.0%
66 - 70	21.0%	23.0%

Conversion rates in the case of co-insured spouse's pension = 60% of the retirement pension

Regulatory age	Retirement conversion rates from 2021
58	4.16%
59	4.28%
60	4.40%
61	4.52%
62	4.64%
63	4.76%
64	4.88%
65	5.00%
66	5.15%
67	5.30%
68	5.45%
69	5.60%
70	5.75%

Conversion rates in the case of co-insured spouse's pension = 80% of the retirement pension

Regulatory age	Retirement conversion rates from 2021
58	3.87%
59	3.96%
60	4.05%
61	4.14%
62	4.23%
63	4.32%
64	4.41%
65	4.50%
66	4.62%
67	4.74%
68	4.86%
69	4.98%
70	5.10%

Factor for determining the cash value of the AHV bridging pension

valid as of 1 January 2021

The cash value of the annual AHV bridging pension is determined by multiplying the annual AHV bridging pension with the following factor.

Number of years until reaching the AHV retirement age	Factor
0	0.000
1	0.991
2	1.963
3	2.915
4	3.849
5	4.765
6	5.662
7	6.542

Partial years are interpolated on a straight-line basis until AHV retirement age is reached.

Purchase table

(pursuant to Art. 40.1)

valid as of 1 January 2021

Insurance age	Maximum savings capital as a percentage of pensionable salary	
	as per 31 December	
	Plan A	Plan B
20	0.0%	0.0%
21	4.0%	4.0%
22	8.1%	8.1%
23	12.2%	12.2%
24	16.5%	16.5%
25	24.8%	24.8%
26	33.3%	33.3%
27	42.0%	42.0%
28	50.8%	50.8%
29	59.8%	59.8%
30	69.0%	69.0%
31	78.4%	78.4%
32	87.9%	87.9%
33	97.6%	97.6%
34	107.6%	107.6%
35	120.7%	120.7%
36	134.1%	134.1%
37	147.7%	147.7%
38	161.7%	161.7%
39	175.9%	175.9%
40	190.4%	190.4%
41	205.1%	205.1%
42	220.2%	220.2%
43	235.6%	235.6%
44	251.2%	251.2%
45	273.2%	275.2%
46	295.6%	299.6%
47	318.4%	324.6%
48	341.7%	350.0%
49	365.5%	375.9%
50	389.8%	402.4%
51	414.5%	429.3%
52	439.7%	456.8%
53	465.4%	484.9%
54	491.6%	513.5%
55	522.4%	546.7%
56	553.7%	580.5%
57	585.7%	615.0%
58	618.3%	650.2%
59	651.5%	686.1%
60	685.4%	722.7%
61	720.0%	760.0%
62	755.3%	798.0%
63	791.2%	836.8%
64	827.9%	876.4%
65	865.3%	916.8%

Examples

1. of insured benefits

Age of insured person	45	
Pensionable salary = annual salary	70 000	
Accrued savings capital	100 000	
	Plan A	Plan B
Insured retirement pension (Art. 10.7)		
Accrued savings capital	100 000	100 000
Future savings credits (until age 65)	277 025	306 075
<u>Future interest (projected interest rate 2.0%)</u>	<u>109 419</u>	<u>115 945</u>
Projected savings capital at age 65	486 444	522 020
Conversion rate at the age of 65	5.0%	5.0%
Insured annual retirement pension (= conversion rate times projected savings capital)	24 323	26 101
Full disability pension (Art. 18.3)		
Annual disability pension (= 45% of pensionable salary)	31 500	31 500
Spouse's pension (Art. 14.4)		
60% of the insured retirement pension	14 594	15 661
<u>Plus 10% of the pensionable salary</u>	<u>7 000</u>	<u>7 000</u>
Annual spouse's pension	21 594	22 661

2. Retirement, semi-retirement

2.1 Retirement and retirement benefit in lump-sum form (Art. 11.5)

Age of insured person	65	
Accrued savings capital at age 65	600 000	
	Retirement benefit with lump-sum withdrawal	Retirement benefit without lump-sum withdrawal
Retirement benefit as lump sum	250 000	---
Remaining savings capital (= accrued savings capital minus benefit withdrawn as lump sum)	350 000	600 000
Conversion rate at the age of 65	5.0%	5.0%
Retirement pension due per year (= conversion rate times remaining savings capital)	17 500	30 000

2.2 Semi-retirement and AHV bridging pension

Age of insured person	63	
Accrued savings capital at age 63	500 000	
	Semi-retirement	Continued insurance
Semi-retirement (Art. 12)		
Percentage share (together equal 100%)	40%	60%
Division of savings capital	200 000 40% of 500,000	300 000 60% of 500,000
Conversion rate at the age of 63	4.76%	
Semi-retirement pension due at the age of 63 (= conversion rate times semi-retirement savings capital)	9 520	This savings capital continues to accrue with the savings contributions for the continued pensionable salary and the interest.
AHV bridging pension (Art. 11)		
Requested AHV bridging pension (per year)	6 000	
Number of years from age 63 to age 65	2	
Present-value factor (Appendix 3)	1.963	
Present value of the AHV bridging pension (Art. 11.3) (= 1.963 times 6,000)	11 778	
Accrued savings capital	200 000	
<u>Reduced by the present value of the bridging pension</u>	<u>-11 778</u>	
Reduced savings capital	188 222	
Conversion rate at the age of 63	4.76%	
Reduced semi-retirement pension due at the age of 63 (= conversion rate times reduced savings capital)	8 960	
<u>Plus requested bridging pension</u>	<u>6 000</u>	
Total annual pension from age 63 to 65	14 960	

3. Voluntary purchase (Art. 40.1)

Age of insured person	55	
Pensionable salary = annual salary	90 000	
Accrued savings capital as per the end of the year	350 000	
	Plan A	Plan B
Maximum savings capital (in % of pensionable salary)	522.4%	546.7%
Maximum savings capital in CHF (= % rate times pensionable salary)	470 160	492 030
<u>Minus accrued savings capital</u>	<u>-350 000</u>	<u>-350 000</u>
Maximum possible purchase	120 160	142 030

Key figures 2021

AHV retirement age Men		65
AHV retirement age Women		64
Maximum annual AHV retirement pension 2021 (12 x CHF 2,390.00)	CHF	28,680.00
BVG minimum salary 2021 (12 x CHF 1,792.50)	CHF	21,510.00
BVG minimum salary 2021 for partially disabled persons		
	Partial disability pension in % of full disability pension	Minimum salary active part
	25%	CHF 16,132.50
	50%	CHF 10,755.00
	75%	CHF 5,377.50
Maximum pensionable salary 2021	CHF	258,120.00
Interest rate 2021 (pursuant to Art. 4.8)		1.00%
BVG minimum interest rate 2021		1.00%
Default interest rate 2021 (pursuant to Art. 7 FZV)		2.00%
Technical interest rate (as at 1/1/2020)		1.75%
Projected interest rate (pursuant to Art. 11.7)		2.00%

Heerbrugg, 11 December 2020

Deposits in the years 2019 to 2021

1. On account of the staggered reductions in the conversion rates over the years 2019 to 2021, the insured retirement pension has also suffered a reduction. As a compensation for this, deposits were calculated on 1 January 2018.
2. Beginning in January 2019, the deposit was credited to the savings capital in 3 annual instalments. The deposit is made at the end of each calendar year; for departures it is made pro rata temporis at the time of departure.
3. If an insured person entitled to a deposit leaves the Pension Fund before 31 December 2021 (vested benefit case), the instalments that have not been credited remain with the Pension Fund.
4. In the case of retirement from 2019, disabled persons reaching the regulatory retirement age from 2019 and in the case of death, the remaining instalments are taken into account in full in the calculation of the pensions.
5. If insured persons receive part of their retirement benefits as a lump sum or if a lump-sum death benefit is due, the instalments due on the lump-sum part are dealt with in the same way as in a vested benefit case.

Glossary

AHV bridging pension

In the case of retirement prior to the AHV retirement age (age 65 for men, age 64 for women), an AHV bridging pension can be requested as a replacement for the AHV pension that is not yet due. The AHV bridging pension is financed from the insured person's savings capital. This results in a reduction in the retirement pension from the Pension Fund.

Purchase, voluntary

With the voluntary purchase, the personal savings capital is increased and therefore also the future retirement pension. The purchase sum earns interest from the date of the deposit at the same rate as the savings capital. The purchase is certified by the Pension Fund and can be deducted from taxable income in the year of the deposit. The maximum possible purchase is shown on the insurance certificate.

Termination benefits brought into the pension fund

This refers to the vested benefit that the insured person must transfer to the Pension Fund from the previous pension scheme of a vested benefits institution. The entry benefit is credited to the personal savings capital of the insured person.

Vested benefit

This is the term given to the capital that is transferred to the insured person's new pension scheme at the end of the employment relationship and before retirement. The vested benefit equals the savings capital (incl. The VP savings capital) accrued up until the end of the employment relationship. Thus the retirement benefits acquired up until this point in time are transferred to the new institution so that they can continue to accrue seamlessly there.

Coordination of benefits with the accident or military insurance

If the accident or the military insurance is responsible for a benefits case in the event of disability or death, the pension Fund coordinates its benefits with these insurances.

- If the benefits from these insurances are higher than the benefits from the Pension Fund, the Pension Fund then does not pay any benefits.
- If the benefits of the Pension Fund were higher than these insurances, the Pension Fund will then top up these insurances up to the amount of the regulatory benefits.

The benefits of the accident or military insurance and those of the Pension Fund are together always at least as high as the regulatory benefits of the Pension Fund alone.

Risk contributions

This is the part of the contributions of the insured persons and the employer that are used to finance risk cases (disability or death before retirement age). The risk contributions paid in remain in the Pension Fund at the end of the employment relationship.

Contributions to finance the retirement costs are also included in the employer's risk contributions.

Retirement age, regulatory

This is reached on the first of the month following the 65th birthday and represents the age at which the retirement benefits are due without reduction or increase.

Insured persons can request retirement between the ages of 58 and 70 years themselves.

- In the case of retirement before the age of 65 – so-called early retirement – the retirement benefits are lower.
- In the case of retirement after the age of 65 - so-called deferred retirement - the retirement benefits are higher. In the case of deferred retirement, the employment relationship must also be continued.

Restructuring, restructuring measures

Restructuring means the total measures that are put in place in order to deal with a funding deficiency. The most important funding measures are reducing the interest rate on the savings capital (incl. the VP savings capital) as well as restructuring contributions from the insured persons and the employer. In this case, the employer's restructuring contributions must be at least as high as the restructuring contributions of its insured persons.

Savings credits, savings contributions

The savings credits are determined as a percentage of the pensionable salary. They are credited to the insured person's savings capital on a monthly basis. They are financed with the savings contributions of the insured persons and the employer. The savings contributions that are deducted from an insured person's salary and the savings contributions that the employer pays in for this person together form the savings credit.

Funding deficiency

The BVG prescribes that the assets of the Pension Fund must be at least as high as the total of all the savings capital of the insured persons and all the pension payments for the current pension recipients. This total represents the obligations of the Pension Fund. The assets and the obligations must be balanced.

If, for example, the assets decline because of a slump in the stock market, it is possible that the level of the assets can fall below the level of the obligations. This situation is called a funding deficiency.

The savings capital of the insured and the pension payments must not be reduced in order to regain the status quo. The BVG requires that a funding deficiency is dealt with using restructuring measures.

Insurance certificate

Annual information in paper form for the insured persons. From this you can find out

- the contributions that are deducted from your gross salary on a monthly basis,
- information about the retirement benefits you can expect to receive,
- the insurance benefits (disability and survivors' pensions) for the current year, as well as
- the development of the savings capital (incl. the VP savings capital) for the current year.

Interest rates

The **interest rate**, with which the savings capital (incl. the VP savings capital) of the insured persons earns interest, is determined annually by the Foundation Board. As a rule it corresponds to the minimum BVG minimum interest rate at least, which is set by the Federal Council. If the assets are at a sufficient level and there has been a good return, the Foundation Board can decide to increase the interest rate.

The **technical interest rate**, with which the pension capital of the pension recipients earns interest, is determined by the Foundation Board on the basis of long-term revenue expectations. In the case of the technical interest rate, this is a figure that is based on the accounts. The pension recipients neither lose nor benefit if there is a change in the technical interest rate. They always receive the same annual pension.

The **projected interest rate** is also determined by the Foundation Board on the basis of long-term revenue expectations. The projected interest rate is used to extrapolate (project) the savings capital of the insured persons together with the anticipated future savings credits until the regulatory retirement age. The pension certificate can be issued with this projection, stating which retirement benefits can be expected. The projected interest rate is also a figure that is based on the accounts, and therefore it is not guaranteed.