

**REGULATIONS OF PENSIONSKASSE**

effective 1 January 2019

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Terms, definitions  
Foundation, insurance bases  
Funding  
Benefits  
Organisation  
Transitional provisions  
Final provisions

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## I. Terms and definitions

Age	Unless expressly stated otherwise, age within the meaning of these Regulations is the difference between the current calendar year and the year of birth
AHV/AVS – IV/AI	Federal Retirement and Survivors' Insurance, Federal Disability Insurance
BVG/LPP	Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans
BVV 2/OPP 2	Ordinance on Occupational Retirement, Survivors', and Disability Pension Plans
Cash value	Corresponds to the value that must be available to fund a pension
Employees	Male and female persons employed by the Employer
Employer	Associated companies or companies with close economic and financial ties to Conzzeta AG which are affiliated with the Fund
Founder	Conzzeta AG
Fund	«Pensionskasse Conzzeta» Foundation
LFLP/FZG	Federal Law on Vesting in Pension Plans
Members	Male and female employees admitted to the Fund (active members)
Normal retirement age	Normal retirement age in accordance with the AHV/AVS
Retirement credits	Retirement credits correspond to the savings contributions of the member and the Employer
Retirement insurance	Insurance against the economic consequences of retirement
Risk insurance	Insurance against the economic consequences of death and disability
UVG/LAA	Federal Law on Accident Insurance

Furthermore, the following definitions shall apply:

Persons bound by a registered partnership in accordance with the Federal Law on Registered Partnerships between Persons of the Same Sex shall be treated in the same way as spouses. Registration of a partnership shall be equated with marriage, and the dissolution of a registered partnership shall be equated with divorce.

For the purpose of these Regulations, references to persons in the masculine gender shall also include the feminine gender, and vice versa.

The German-language text shall be authoritative.

## II. Foundation, insurance bases

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

1

«Pensionskasse Conzzeta» is a Foundation, within the meaning of Secs. 80 et seq. of the Swiss Civil Code, Sec. 331 et seq. of the Swiss Code of Obligations and Articles 48 et seq. BVG/LPP, with its registered office in Zurich. The Foundation was established in favour of the employees of the Swiss companies with close economic or financial ties to Conzzeta AG.

2

The purpose of the Foundation is to insure the Employer's employees and their family members and survivors against the economic consequences of retirement, death and disability by providing benefits in accordance with the Foundation Charter, Regulations and the BVG/LPP.

3

The Foundation is listed in the register for occupational benefits.

4

The Foundation shall guarantee at least the minimum BVG/LPP benefits. For this purpose, it shall keep an account for each member showing his accrued retirement savings capital and minimum BVG/LPP entitlements.

5

The basic principles of adequacy, collectivity, equal treatment, planning and insurance shall apply.

## Art. 2 Members

1

All employees over the age of 17 whose reference annual salary (Article 5) exceeds the minimum BVG/LPP salary shall be insured with the Fund. Paragraph 2 may apply.

2

The following employees shall not be insured with the Fund:

- a) employees who are employed for a limited period of up to 3 months. If employment is extended without interruption beyond the 3-month period, the employee shall be insured from the time the extension is agreed. If several consecutive terms of employment with the same Employer last longer than 3 months altogether, and provided the break between any two consecutive terms does not exceed 3 months, the employee shall be insured from the start of the fourth month altogether of employment;
- b) employees who are already subject to mandatory insurance for their principal gainful employment, or whose principal gainful employment is in a self-employed capacity;
- c) employees who are at least 70% disabled as determined by the IV/AI;
- d) employees who have reached the normal retirement age.

3

Remuneration for gainful employment by employers that are not affiliated with the Fund shall not be insured with the Fund.

## Art. 3 Medical examination, exclusions

1

Before they are admitted to the Fund, employees shall provide information about their health.

2

The Fund may request a medical examination by a doctor approved by the Fund.

3

When a member is admitted to the Fund, the Fund may impose medical exclusions in respect of death and disability benefits based on the information or the medical report. Exclusions shall expire 5 years after the member joins the Fund.

4

Members shall be notified in writing about their admission to the Fund and about any exclusions. If death or disability occurs before a member's health status has been definitively determined, or if it subsequently emerges that the health information provided by the member was false, the Fund may decide to apply the corresponding exclusion retroactively.

5

If there is a causal relationship between the death or disability and the exclusion, the regulatory benefits shall be permanently – i.e. beyond the term of the exclusion – reduced to the minimum legal benefits in accordance with the BVG/LPP.

6

The benefits coverage deriving from an entry transfer of vested termination benefits may not be reduced by any new medical exclusions. The exclusion period lapsed with a previous occupational benefits institution shall be deducted from the new exclusion period.

#### Art. 4 Start and end of coverage, leave of absence

1

Membership in the Fund shall start on the first day of employment.

Membership shall start, at the earliest:

- a) for death and disability risks, from 1 January following the member's 17th birthday;
- b) for retirement benefits, from 1 January following the member's 20th birthday.

2

If a member's salary falls below the entry threshold according to Article 2(1), or if employment with the Employer is terminated for any reason other than retirement, death or disability, the member shall leave the Fund. The outgoing member shall be entitled to a termination payment in accordance with Article 24. Paragraph 3 may apply.

3

If, after being insured, a member's annual salary falls below the entry threshold, coverage shall be maintained for no longer than 12 months provided the employment relationship continues and no insured event occurs.



4

Members shall remain insured with the Fund for death and disability benefits until the start of a new employment relationship, but at the most for one month after termination of their existing employment contract. If the termination payment has already been transferred, it may be offset against any disability or survivors' benefits falling due.

5

Risk insurance shall cease at the latest when a member reaches normal retirement age.

6

During an unpaid leave of absence, provided the employment contract is maintained, risk insurance shall continue for 12 months at the most. The Employer and the employee's risk and cost contributions shall be paid before the start of the unpaid leave. The Employer and the employee shall agree how the contributions shall be shared. For the duration of the unpaid leave, the last pensionable salary shall be decisive.

#### Art. 5 Reference salary, pensionable salary

1

The reference annual salary shall be equal to 12 times the monthly salary, plus the 13th month's salary and 100% of the target bonus, plus any recurrent work-related allowances. In addition, any variable salary components earned the previous year (success or profit-sharing participations, workplace-related allowances) shall also be insured. Family and child allowances, lump-sum expense allowances and other one-off, case-by-case or occasional salary components (seniority rewards, overtime compensation, special work indemnities, special bonuses, etc.) shall not be taken into account. The pensionable salary may not exceed the AHV/AVS income actually earned.

For members with a variable degree of employment (e.g. hourly wage earners), the reference salary shall be determined based on the prior year's salary, taking into account, however, any changes in salary already agreed in the general wage adjustment for the current calendar year. For new members, the reference salary shall be determined based on the anticipated degree of employment. The reference salary shall be adjusted during the year if the degree of employment is expected to change during at least 6 months and by at least 50% of the current salary.

2

In agreement with the Founder, the Pension Board shall set the coordination deduction, which may not exceed the minimum BVG/LPP salary, as well as the maximum reference salary, which may not exceed the upper limit according to Article 79c BVG/LPP. The reference amounts are indicated in Annex 1.

3

The pensionable salary shall equal the reference annual salary according to paragraph 1, minus the coordination deduction. For contractual part-time employees, the coordination deduction shall be reduced pro rata the degree of employment.

4

The reference annual salary shall be set for the first time when a member joins the Fund. Thereafter, the reference annual salary shall be adjusted as at 1 April of each year, or whenever a member's individual salary is changed during the year. Changes shall be taken into account from the following month if they apply for at least 6 months, and exceed 5% of the previous reference annual salary.

5

If a member's degree of employment is changed, his pensionable salary shall be recalculated accordingly.

#### Art. 6 Retirement credits, retirement savings capital

1

An individual retirement savings account shall be kept for each member showing his retirement savings capital. This shall consist of:

- a) the annual retirement credits;
- b) the entry transfers in accordance with Article 10;
- c) minus any withdrawals under the encouragement of home ownership scheme;
- d) minus any transfers in connection with a divorce;
- e) plus any withdrawals repaid under the encouragement of home ownership scheme, and any repurchases following a divorce;
- f) plus interest in accordance with paragraph 3(a).

2

Every member age 21 or over who pays retirement insurance contributions shall receive a retirement credit for the contribution period. Retirement credits shall depend on a member's age and shall be calculated as a percentage of the pensionable salary. The amount of the retirement credits are indicated in Annex 1.

3

Retirement savings accounts shall be kept in accordance with the following rules:

- a) the interest rate shall be set by the Pension Board taking into account investment returns and the financial situation of the Fund;
- b) interest shall be calculated on the balance on the retirement savings account at the end of the prior year and credited to the retirement savings account at the end of each calendar year. Retirement credits for the relevant calendar year shall be added to the retirement savings capital without interest;
- c) in case of voluntary contributions by the member, or withdrawals and repayments of withdrawals, or transfers in connection with a divorce, interest shall be paid pro rata temporis;
- d) in case of an insured event, or if a member leaves the Fund during a calendar year, interest shall be credited for the current calendar year based on the retirement savings capital at the end of the prior year and for the time lapsed since then. To this shall be added the retirement credit for the duration of coverage in the relevant calendar year.

4

For fully disabled members, the retirement savings capital with interest (paragraph 3(a)) and the retirement credits shall continue to be kept in case of a reactivation. Continuation shall start at the same time as the entitlement to a disability pension from the Fund, and shall cease when the disability pension ceases. The retirement credits shall be calculated on the basis of the pensionable salary at the start of the incapacity for work and the Standard Plan (Article 9).

5

If the member is granted a partial disability pension, the Fund shall split the retirement savings capital accordingly. One portion shall be treated in accordance with paragraph 4. The other portion of the retirement savings capital shall be treated as for a member with full earning capacity.

6

In the event of a withdrawal under the encouragement of home ownership scheme (Article 31), or a transfer in connection with a divorce (Article 32), the retirement savings capital (and, proportionately, the BVG/LPP retirement savings capital) shall be reduced by the amount transferred.

## Art. 7 Information for members and pensioners

1

On joining the Fund and every year thereafter, members shall be issued an insurance certificate showing their retirement savings capital, pensionable salary, contributions, insured benefits and vested termination benefit. The Fund shall provide information in an appropriate form each year about its organisation and funding, and about the composition of the Pension Board. A summary report shall be sent to members and pensioners once a year and, at their request, an annual report and financial statements.

2

When a benefit first falls due, and when there is a change in a pension in payment, the beneficiary of the relevant claim shall be notified in writing.

3

When they marry, members shall be notified in writing of their vested termination benefit at the marriage date.

4

In the event of a divorce, the member or the divorce court shall be informed, at their request, about the amount of the retirement savings capital serving as the reference basis for the vested termination benefit to be divided.

### III. Funding

#### Art. 8 Obligation to pay contributions

1  
The obligation for the member and the Employer to pay contributions shall start when the member joins the Fund.

2  
The Employer shall deduct the members' contributions from their salaries in 12 monthly instalments and transfer them to the Fund each month together with its own contribution.

3  
For members who join the Fund before the 16th of any month and who leave after the 15th of any month, the full contribution for the month shall be deducted. For members who join the Fund after the 15th of any month or who leave before the 16th of any month, no contribution shall be deducted for the month of entry or departure.

4  
The obligation to pay contributions shall persist until the start of the entitlement to retirement or disability benefits, or until the member leaves the Fund or dies. Paragraph 5 may apply.

5  
In case of accident, illness, military service or short-term employment, members shall be obliged to pay contributions as long as they receive a salary or indemnities in lieu of a salary. The amount of the contributions shall be deducted from the salary that is still paid or from the indemnities in lieu of a salary. Paragraph 6 may apply.

6  
In case of accident or illness, members shall be entitled to a contribution waiver. The entitlement to a contribution waiver shall start on the first day of the month after the end of the continued payment of the salary, but not before the first day of the month which comes 3 months after the start of the incapacity for work. The member's and the Employer's contributions shall be charged to the Fund for the duration of the waiver. The contributions shall be calculated on the basis of the Standard Plan (Article 9)

#### Art. 9 Amount of contributions

1  
Contributions shall be calculated as a percentage of the pensionable salary (Article 5) taking into account a member's age (difference between calendar year and year of birth).

2  
The contributions payable by the Employer and the members are set forth in Annex 1.

3

When they join the Fund, members may opt to pay contributions under the Plus Plan instead of the Standard Plan. Unless otherwise notified in writing, the Standard Plan shall apply. Members may change plans each year, effective on 1 January. Members shall notify the Fund in writing of the desired change in plan no later than 15 December of the prior year.

#### Art. 10 Entry transfer of vested termination benefits, voluntary contributions

1

Pursuant to statutory prescriptions, vested termination benefits from prior pension relationships must be transferred to the Fund on entry. Entry transfers of vested termination benefits shall be added to the member's retirement savings capital.

2

Members shall grant the Fund access to the termination statements from their former pension arrangements.

3

A member may make a voluntary contribution at any time to buy into full regulatory benefits provided he has transferred all his vested termination benefits to the Fund and is not drawing a full disability pension. The maximum possible purchase amount set forth in Annex 3 shall be reduced by:

- a) any vested termination benefits which the member has not transferred to the Fund;
- b) any pillar 3a pension assets to be taken into account in accordance with Article 60a BVV 2/OPP 2.

4

If a voluntary contribution is made, the pension benefits deriving therefrom may not be withdrawn as lump-sum capital in the following 3 years. The above restriction shall not apply to benefits repurchased following a divorce.

5

If any withdrawals were made for the purchase of an own home, no voluntary contribution may be made before the withdrawals have been repaid in full. A withdrawal may be repaid up to 3 years before normal retirement age. After this time limit, voluntary contributions may be made, but in this case the maximum purchase allowance shall be reduced by the amount of the withdrawal.

6

The purchase restrictions under Article 79b BVG/LPP and Article 60b BVV 2/LPP 2 shall apply in all other respects. Before making a voluntary contribution, a member shall deliver a written statement to the Fund, accompanied by the relevant substantiating documents, confirming that he satisfies the statutory purchase requirements.

7

The Fund cannot guarantee that any voluntary contributions will be tax-deductible.

#### Art. 11 Assets, financial equilibrium

1

The Fund shall inform the regulatory authorities and its members and pensioners if it is underfunded on the balance sheet date.

2

In case of underfunding, the Pension Board, in cooperation with the actuarial expert, shall determine the appropriate recovery measures with a view to eliminating the underfunding.

In particular, the following temporary measures may be introduced within the limits of the law:

- a) recovery contributions from the employees and the Employer up to maximum 25% of the ordinary contribution. The Employer's contribution must be at least equal to the sum of the members' contributions;
- b) recovery contributions from the pensioners, under the condition that the recovery contributions referred to in a) above are also levied. This contribution shall be offset against the pensions in payment;
- c) understepping the BVG/LPP minimum interest rate in the shadow accounting;
- d) temporary limitation on withdrawals in connection with the encouragement of home ownership scheme, or limitation of their amount.

3

The Fund shall inform the regulatory authorities, and its members and pensioners about the recovery measures adopted.

## IV. Benefits

### A. Insured benefits

The Fund shall grant members and their survivors the following benefits in accordance with the below provisions:

- a) retirement pension, retirement lump-sum capital
- b) retired member's child's pension
- c) disability pension
- d) disabled member's child's pension
- e) spouse's pension, lump-sum settlement to the spouse
- f) orphan's pension
- g) lump-sum death benefit
- h) termination payment
- i) benefits in connection with the encouragement of home ownership scheme
- j) divorce-related benefits

### B. Retirement benefits

#### Art. 12 Retirement pension, retirement lump-sum capital

1

A member who reaches the normal retirement age shall be entitled to a lifelong retirement pension.

2

A member shall be entitled to early retirement benefits if his employment contract is terminated after the age of 60 but before he reaches normal retirement age. If the member remains gainfully employed or registers for unemployment benefits, he may apply to receive a termination benefit instead of retirement benefits in accordance with Article 24.

3

The amount of the annual retirement pension shall be determined based on the available retirement savings capital at the retirement date multiplied by the conversion rate in accordance with Annex 2.

4

If a member terminates his employment contract after he reaches the age of 60, he may elect to withdraw all or part of his available retirement savings capital as lump-sum capital instead of drawing a retirement pension.

5

The payment of a lump-sum capital benefit shall result in a proportionate reduction in the member's claim to a retirement pension, retired member's child's pension, and reversionary spouse's and orphan's pensions.



6

A member who elects to receive a lump-sum capital benefit shall notify the Fund at least 6 months before the retirement date. For married members, lump-sum capital benefits shall be subject to their spouse's written consent. After the notification, neither the principle of a lump-sum capital payment nor the share of such payment may be subsequently changed.

7

If, in the last 3 years before retirement, voluntary contributions were made, the benefits deriving therefrom may not be withdrawn as lump-sum capital. The Fund cannot guarantee that any voluntary contributions will be tax-deductible.

8

If a member goes into early retirement following the termination of his employment contract by the Employer, the Pension Board may decide to accept a shorter notice period.

9

If the retirement pension is less than 10% of the AHV/AVS minimum retirement pension, the Fund may decide to pay a lump sum instead of a pension.

#### Art. 13 Continued coverage after normal retirement age

1

If, after reaching normal retirement age, a member continues to work for the Employer under a permanent employment contract, and provided his degree of employment is at least 30% of full-time employment, he may continue to be insured until he gives up gainful employment, but at the latest until he reaches age 70. The contributions payable by the Employer and the member are set forth in Annex 1. Risk and cost contributions shall no longer be levied.

2

If coverage is continued beyond the normal retirement age, a member may apply to receive all or a portion of his retirement benefits at normal retirement age. If a member withdraws his entire retirement benefit, the retirement savings capital accrued at termination of employment shall be disbursed to him in a single lump-sum payment.

#### Art. 14 Partial retirement

1

Members may opt for partial retirement from the age of 60 provided their degree of employment is reduced by at least 30% of full employment and they continue to be at least 30% employed.

2

In case of partial retirement, the retirement savings capital shall be divided into two parts depending on the reduction in the degree of employment:

- a) for the part corresponding to the reduction in degree of employment, the member shall be entitled to retirement benefits, whereby the retirement pension shall be calculated by analogy with the above provisions;
- b) for the other part, coverage shall be continued; the coordination amount shall be reduced in line with the degree of employment.

3

Members may take partial retirement in several steps. A member may withdraw all or a portion of the corresponding retirement savings capital as a lump sum for no more than two partial retirement steps

#### Art. 15 Retired member's child's pension

Recipients of a retirement pension shall be entitled to a child's pension equal to 20% of their retirement pension for each child who, at the start of the entitlement to the retirement pension, would have been entitled to an orphan's pension at their death. There shall be no entitlement to a child's pension for children arriving – by birth, adoption, foster parenthood or marriage – after the start of the entitlement to a retirement pension.

### C. Disability benefits

#### Art. 16 Disability

1

Members who are entitled to a disability pension from the IV/AI, and who were insured with the Fund at the onset of the incapacity for work, the cause of which led to the disability, shall be entitled to disability benefits.

2

A member shall be entitled to a full disability pension if he is at least 70% disabled within the meaning of the IV/AI. In case of partial disability, the pension entitlement scale shall be the same as the IV/AI scale:

IV/AI degree of disability	Pension entitlement
at least 40%	a quarter of a disability pension
at least 50%	half of a disability pension
at least 60%	three quarters of a disability pension
at least 70%	full disability pension

## Art. 17 Disability pension

1

Until normal retirement age, the full annual disability pension shall correspond to 55% of the pensionable salary.

2

After normal retirement age, the full annual disability pension shall correspond to the reference retirement savings capital calculated at the disability date multiplied by the relevant conversion rate in accordance with Annex 2.

The reference retirement savings capital shall consist of:

- a) the member's accrued retirement savings capital at the start of the entitlement;
- b) the sum of the missing retirement credits up to the normal retirement date. The retirement credits shall be calculated on the basis of the pensionable salary at the start of the incapacity for work and the Standard Plan (Article 9);
- c) interest and compound interest on the amounts under a) and b). The interest in the year the entitlement starts shall be the interest rate for retirement savings capital in accordance with Article 6(3)(a); from the following year, the interest rate indicated in Annex 2 shall apply.

3

If a partial disability is followed by a full disability, an additional pension based on the new pensionable salary shall be paid in addition to the partial disability pension.

4

The partially disabled member shall continue to pay contributions on the pensionable salary in respect of his residual gainful employment.

5

The entitlement to disability benefits shall be deferred as long as a salary, or a replacement daily sickness or accident allowance, are still paid. The daily allowance shall only count as a full replacement salary if it corresponds to at least 80% of the loss in salary and provided the Employer financed at least half of the relevant insurance premium.

6

If the Fund has an obligation to pay benefits because a member became disabled as a result of a congenital disease, or was already disabled as a minor and was insured with the Fund when his incapacity for work was increased, the entitlement shall be limited to the mandatory BVG/LPP benefits.

7

The entitlement shall cease at the death of the beneficiary or at the end of the disability.

#### Art. 18 Disabled member's child's pension

Members who are entitled to a disability pension shall be entitled to a child's pension for each child who, at the start of the entitlement to the disability pension, would have been entitled to an orphan's pension at their death; the child's pension shall equal 20% of the disability pension in payment. There shall be no entitlement to a child's pension for children arriving – by birth, adoption, foster parenthood or marriage – after the start of the entitlement to a disability pension.

### D. Survivor benefits

#### Art. 19 Spouse's pension

1

The surviving spouse of a member or a retirement or disability pensioner shall be entitled to a spouse's pension if, at the member's death:

- a) he has to support one or more children, or
- b) he has reached age 45 and the marriage lasted at least 5 years.

2

If a member or a disability pensioner dies before he reaches normal retirement age, the spouse's pension shall equal 65% of the disability pension insured at the member's death, or 65% of the unreduced disability pension in payment. From the time the deceased member or deceased disability pensioner would have reached normal retirement age, the spouse's pension shall equal 65% of the insured disability pension in accordance with Article 17(2).

3

At the death of a retirement or disability pensioner who has reached normal retirement age, the spouse's pension shall equal 65% of the retirement pension in payment or unreduced disability pension in payment at the member's death.

4

At the death of a member who has reached normal retirement age, the spouse's pension shall equal 65% of the retirement pension which the member would have been entitled to from the month after his death.

5

The entitlement to a spouse's pension under paragraph 2 shall start the month after the spouse's death, but at the earliest after the end of the obligation to pay a salary or when a disability pension is no longer paid. It shall cease when the spouse dies or remarries, but at the latest when the deceased member would have reached normal retirement age.

6

The entitlement to a spouse's pension under paragraphs 3 and 4 shall start the month after the spouse's death, but at the earliest when a salary or or a disability pension is no longer paid. It shall cease when the spouse dies or remarries.

7

If a spouse entitled to a spouse's pension is more than 10 years younger than the deceased member or pensioner, the spouse's pension under paragraphs 2 to 4 shall be reduced by 3% for each additional year or fraction of a year's difference, up to maximum 30% but to no less than the minimum BVG/LPP benefits.

8

If he remarries, the spouse shall be entitled to a final one-off settlement corresponding to three times the annual spouse's pension. Any orphan's pensions in payment shall be maintained in the same amount.

#### Art. 20 Spouse's lump-sum settlement

1

The spouses of deceased members, or retirement or disability pensioners who are not entitled to a spouse's pension shall be granted a lump-sum settlement.

2

The lump-sum settlement payable at a member's death shall correspond to the higher of the two following values:

- a) three times the amount of the annual spouse's pension, or
- b) the accrued retirement savings capital at the member's death insofar as it is not applied to funding survivor benefits in accordance with Article 21.

3

The lump-sum settlement payable at the death of a disability pensioner who has not yet reached normal retirement age shall correspond to the higher of the two following values:

- a) three times the amount of the annual spouse's pension, or
- b) the retirement savings capital available at the start of the disability, minus any disability benefits already paid by the Fund, minus the cost of funding survivor benefits in accordance with Article 21. In the case of reduced pensions, the unreduced pensions shall be deducted.

4

The lump-sum settlement payable at the death of a retirement or disability pensioner who has reached normal retirement age shall correspond to three times the annual spouse's pension.

#### Art. 21 Divorced spouse's benefits

The divorced spouse of a deceased member or retirement or disability pensioner shall only be entitled to the mandatory benefits prescribed by the BVG/LPP.

#### Art. 22 Orphan's pension

1

The children of a deceased member or retirement or disability pensioner shall be entitled to an orphan's pension.

2

For the purpose of these Regulations, children shall mean:

- a) children of the member or pensioner;
- b) foster and step-children who were dependent on the deceased.

3

The entitlement to an orphan's pension shall start the month after the death of the member or retirement or disability pensioner, but not before the end of the obligation to pay a salary, or when a disability or retirement pension is no longer paid. The entitlement shall end when the child turns 18, or at his death. For children who are still at school or in training, or who are at least 70% disabled, the entitlement to a pension shall cease when they finish their training or are able to earn their living, but not after their 25th birthday.

4

The orphan's pension shall equal 20% of the insured disability or retirement pension in payment at the member's death. At the death of a member who has reached normal retirement age, the orphan's pension shall equal 20% of the retirement pension which the member would have been entitled to from the month after his death.

#### Art. 23 Lump-sum death benefit

1

At a member's death, the Fund shall pay a lump-sum death benefit to his beneficiaries.

2

The full lump-sum death benefit shall correspond to the accrued retirement savings capital at the member's death insofar as it is not applied to funding survivor benefits in accordance with Articles 19 to 21. Pensions shall be deducted at their actuarial cash value.

3

The survivors of a deceased member shall be entitled to a lump-sum death benefit in the following order:

- a) the spouse;
- b) failing him, natural persons who were substantially dependent on the member, or the person who shared a common life for an uninterrupted period of at least 5 years immediately before the member's death, who is not married and not related to the member, or who is responsible for supporting one or more of the couple's children;
- c) failing them, the member's children, parents and siblings.

The member must designate the persons in paragraph b) to the Fund in writing during his lifetime. He may also specify in writing which persons within the group of persons in letter b) or c) shall be entitled to what share of the overall lump-sum death benefit. If the member does not indicate how the lump-sum benefit is to be divided among the persons in letter c), then only the children, if any, shall be entitled to the lump-sum death benefit.

4

Beneficiaries under paragraph 3(b) and (c) who wish to assert their claim to a lump-sum death benefit shall file the relevant application with the Fund within 6 months of the member's death at the latest. If several beneficiaries have an equal claim to the lump-sum death benefit, and if the member did not indicate how it was to be distributed, the lump-sum death benefit shall be divided in equal shares between the beneficiaries.

## E. Termination benefits

### Art. 24 Termination payment

1

If the insurance is terminated for any reason other than death, disability, or retirement, the outgoing member shall be entitled to a termination benefit. The termination benefit shall fall due when the member leaves the Fund, and shall earn interest at the minimum BVG/LPP interest rate from that point.

2

The termination benefit shall be calculated on a defined-contribution basis. It shall correspond to the available retirement savings capital. Members shall in any event be entitled to at least the retirement savings capital in accordance with the BVG/LPP, or the minimum termination payment in accordance with paragraph 3.

3

After taking into account any withdrawals under the encouragement of home ownership scheme and any transfers in connection with a divorce, the termination benefit pursuant to Article 17 FZG/LFLP shall consist of the following amounts:

- a) entry transfers of vested termination benefits, and any voluntary contributions, both with interest;
- b) the regulatory retirement savings contributions paid to the Fund together with interest, increased by 4% for every year over the age of 20 (exit year – year of birth) up to a maximum of 100%.

The interest rate for paragraph 3 shall be in accordance with the FZG/LFLP. If and for as long as the Fund is underfunded, this interest rate shall be reduced to the credit interest rate on the retirement savings capital (Article 6(3)(a)).

4

If, after it has transferred the termination benefit, the Fund is required to pay survivor or disability benefits, the termination payment already transferred shall be restituted to the extent necessary to cover the payment of the survivor and disability benefits. If restitution is not made, the survivor and disability benefits shall be reduced.

#### Art. 25 Transfer of termination payment

1

As a rule, the termination payment shall be transferred to the occupational benefits institution of the new employer. The transfer shall be made at the latest 30 days after the Fund has received all necessary transfer instructions.

2

If the member does not join a new occupational benefits institution, he shall notify the Fund whether the termination payment should be transferred to a vested benefits account or a vested benefits policy. If the member does not provide such instructions, the Fund shall transfer the termination payment to the Substitute Occupational Benefit Institution, at the earliest after 6 months and at the latest within 2 years.

3

A member may apply to receive his termination payment in cash if:

- a) he is leaving Switzerland and Liechtenstein permanently. The mandatory portion of the termination payment shall be excluded from the transfer if the outgoing member is moving to an EU/EFTA member state where he will be subject to statutory retirement, death and disability insurance. In this case, the mandatory portion (BVG/LPP retirement savings capital) shall be applied to establishing a vested benefit account or a vested benefit policy in Switzerland or in Liechtenstein;
- b) he becomes self-employed and is no longer subject to BVG/LPP occupational benefits insurance;
- c) the termination payment is less than his annual contributions.

In the case of married members, a cash payment may only be made with the written consent of the spouse.



## F. Benefits – general provisions

### Art. 26 Payment

1

Pensions shall be calculated as an annual amount and shall be paid to the beneficiaries – rounded up to full francs – in monthly instalments in advance.

2

The entitlement to a pension shall persist until the end of the month coinciding with the beneficiary's death.

3

The Fund shall suspend pension payments if the IV/AI suspends its benefits while the beneficiary is serving a prison sentence or for the duration of a deprivation of liberty measure.

4

When the Fund, as a member's last known occupational benefits institution, has a temporary obligation to pay benefits because the responsible occupational benefits institution has not yet been determined, the entitlement shall be limited to the minimum BVG/LPP benefits. If it is later established that the Fund was not responsible for payment of benefits, it shall claim restitution of the benefits it advanced.

### Art. 27 Third-party benefits, reduction in benefits

1

The Fund shall reduce survivor and disability benefits if, together with other income to be taken into account, they exceed 90% of the member's last reference annual salary (Article 5).

2

Other revenues to be taken into account shall mean any benefits of the same kind and serving the same purpose paid to the beneficiary for the same insured event, such as:

- a) survivor and disability benefits paid to the entitled person by other domestic or foreign social insurance and occupational benefit institutions in connection with the damaging event;
- b) daily allowances from mandatory insurance;
- c) daily allowances from extra-mandatory insurance provided the Employer funded at least half of such allowances;
- d) benefits paid by vested benefit institutions and the Substitute Occupational Benefit Institution;
- e) for recipients of disability benefits, the income earned, or the income or replacement income which they could still earn in connection with work that could reasonably be required of them. The income which could still be earned shall as a rule be determined relying on the disability income indicated in the IV/AI decision. The amounts to be taken into account shall be adjusted in line with the IV/AI reviews.

3

After the normal AHV retirement age, disability benefits may only be reduced if they overlap with:

- a) accident insurance benefits;
- b) benefits paid by the Federal Military Insurance;
- c) comparable foreign insurance benefits.

4

Survivor benefits to the surviving spouse and orphans shall be added together.

5

The Fund shall not compensate any reductions in benefits made at normal retirement age pursuant to Article 20(2ter) and (2quater) UVG/LAA and Article 47(1) MVG/LAM subject to paragraph 6.

6

The Fund's reduced benefits may not, after the normal retirement age and in combination with UVG/LAA, MVG/LAM and any comparable foreign benefits, be less than the unreduced regulatory benefits.

7

If, following a divorce, a disability pension has to be shared after the regulatory retirement age, the portion of the pension allocated to the beneficiary spouse shall continue to enter into account in the calculation of the reduction in the disability pension of the liable spouse.

8

Lump-sum benefits within the meaning of paragraph 2 or 3 shall be taken into account at their pension conversion value.

9

Helplessness allowances, personal injury indemnities, severance settlements, assistance allowances and comparable benefits shall not be taken into account. Nor shall any additional income earned during participation in rehabilitation measures pursuant to Article 8a of the Federal Act on Disability Insurance be taken into account.

10

If the accident or military insurance does not fully compensate a reduction in AHV/AVS benefits after the normal retirement age because the maximum amount has been reached (Article 20(1) UVG/LAA, Article 40(2) MVG/LAM), the Fund shall cut back any reduction in its benefits by the amount that was not compensated.

11

The Fund shall reduce or deny benefits accordingly if the AHV/IV//AVS/AI reduces, withdraws or denies benefits on the ground that the death or disability of the beneficiary was caused through his own gross negligence, or because he refuses IV/AI rehabilitation measures.

12

The Fund shall not be obliged to compensate benefits denied or reduced by the accident or military insurance if the insured event was caused by the member's gross negligence.

13

The Fund may review the conditions and scope of a reduction at any time and adjust its benefits in the event of a significant change in circumstances.

#### Art. 28 Claims against liable third parties

The Fund may require the beneficiaries of a survivor's or disability pension to assign their rights against third parties liable for the insured event, up to the amount of the benefits payable by the Fund. The Fund may suspend payment of benefits until it receives such assignment.

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

1

Within the limits of the Fund's financial capacity, retirement, disability and survivors' pensions in payment may be adjusted to changes in the cost of living. Each year, the Pension Board shall decide whether and to what extent pensions can be adjusted.

2

The minimum BVG/LPP survivor and disability pensions shall be adjusted to the cost of living in accordance with the relevant federal guidelines. As long as the regulatory benefit is higher than the minimum BVG/LPP benefits thus adjusted, the regulatory benefit shall be paid.

### Art. 30 Assignment, pledging and set-off

1

The entitlement to benefits from the Fund may not be assigned or pledged before they fall due. The provisions on the use of pension assets for the encouragement of home ownership (Article 31) may, however, apply.

2

The claim to benefits may only be offset against claims assigned by the Employer to the Fund if they concern contributions that were not deducted from the salary.

### Art. 31 Financing home ownership: withdrawal, pledging

1

Up to 3 years before the normal retirement age, members may apply once every 5 years for a withdrawal to finance the purchase of a residential property for their own use (to acquire or build a residential property, acquire co-ownership in a residential property, or repay a mortgage). Own use means use by the member at his legal or customary place of residence. Members may pledge this amount or their entitlement to pension benefits for the same purpose.

2

Before the age of 50, members may withdraw or pledge their full vested termination benefit or a portion thereof. Members who are over 50 may not withdraw or pledge more than the vested termination benefit to which they were entitled at age 50, or half of the vested termination benefit at the date of withdrawal or pledging. In the case of married members, withdrawals may only be made with the written consent of their spouse.

3

If, in the last 3 years before a withdrawal, voluntary contributions were made, the benefits deriving therefrom may not be withdrawn. The Fund cannot guarantee that any voluntary contributions will be tax-deductible.

### Art. 32 Pension sharing in connection with a divorce

1

If a member divorces and the Fund is required to transfer a portion of the vested termination benefit accrued during marriage to the occupational benefits institution of the divorced spouse pursuant to a pension-sharing order from the court, the available retirement savings capital shall be reduced by the amount transferred. After the divorce, the member may repurchase all or a portion of the amount thus transferred.

2

The provisions concerning pension sharing in connection with a divorce after an insured event has already occurred are set forth in Annex 4 to these Regulations.

### Art. 33 Obligation to inform and notify

1

Members, pensioners and their survivors who are entitled to benefits shall provide the Fund with complete and true information concerning all relevant matters, in particular:

- a) within 4 weeks, changes in civil status (marriage, registration or dissolution of a registered partnership, births, deaths, divorce, etc.);
- b) income to be taken into account in accordance with Article 27(2).

2

Pensioners shall file an official life certificate with the Fund at the latter's request.

3

In cases where the spouse's signature is required, the Fund may demand that the signature be certified.

4

Members or their survivors shall be liable to the Fund for any consequences arising from the delay or failure to provide information, and as a result of any incorrect information.

## V. Organisation

### Art. 34 Pension Board, remit and decision-making

1

The Pension Board is the highest governing body of the Fund. The Pension Board shall represent the Fund externally and shall handle its business affairs insofar as they have not been permanently entrusted to the Fund Manager or to third parties. The Pension Board shall elect a Chair from among its members.

2

The Pension Board shall have the following duties in particular:

- a) appointing the Fund Manager, auditor and accredited pension actuary;
- b) designating the persons authorised to sign on behalf of the Fund, and the form of their signing powers;
- c) setting the actuarial discount rate and the other actuarial bases;
- d) defining asset management objectives and principles, and the implementation and monitoring of the investment process;
- e) periodically verifying that assets and liabilities match in the medium and long term;
- f) adopting and amending regulations;
- g) accepting the auditor's report and approving the annual financial statements on that basis, with due regard to the actuarial balance sheet;
- h) deciding on proposals regarding matters of principle submitted to it by members and pensioners, questions of principle submitted by the Fund Manager, and complaints against the decisions of the Fund Manager.

3

Pension Board meetings shall be convened as required by the Chair; the invitation shall be accompanied by the agenda. A member of the Pension Board or the Fund Manager may also ask for a meeting to be convened. All decisions shall be recorded in minutes.

### Art. 35 Appointment and duties of the Fund Manager

1

The Fund Manager and his deputy, if any, shall be designated by the Pension Board in consultation with the Employer; the term of office shall be one year. Unless the Pension Board decides otherwise, the mandate shall be automatically extended on expiry for the following year.

2

The Fund Manager shall handle the Fund's daily business and implement the Regulations. He shall be responsible for accounting and the Fund's asset management within the limits of the statutory guidelines and in accordance with Pension Board directives.

3

He shall report on a regular basis to the Pension Board on the Fund's asset management and the average return on investments.

4

Furthermore, the Fund Manager shall have the following duties:

- a) issuing directives for the implementation of the Fund's Regulations;
- b) deciding – within the limits of the Regulations – on individual cases in the event of special circumstances;
- c) managing pension fund administration;
- d) handling communications with members, and information about the Fund's affairs.

The Fund Manager shall submit all questions of principle to the Pension Board for a decision.

#### Art. 36 Auditing

1

The Pension Board shall appoint the auditor of the Fund (Article 51a(2)(k) BVG/LPP). The auditor shall audit the management, accounting and asset management of the Foundation each year, and submit a written report to the Pension Board on the results of its audit. The annual financial statements and the auditor's report shall be forwarded to the regulatory authorities.

2

The Pension Board shall appoint the accredited pension actuary (Article 51a(2)(k) BVG/LPP). At least once every 3 years, the accredited pension actuary shall prepare an actuarial balance sheet which shall be communicated to the regulatory authorities.

3

The auditor and the accredited pension actuary shall satisfy the statutory certification criteria.

#### Art. 37 Secrecy

The governing bodies of the Foundation and all persons entrusted with its management shall observe strict professional secrecy with regard to the personal and financial circumstances of the employees and the members and pensioners of the Fund; they shall also observe secrecy with regard to all business transactions. The entire secrecy obligation shall survive the termination of the activities on behalf of the Fund.

## VI. Transitional provisions

### Art. 38 Pensions in payment on 1 January 2017

For pension entitlements already existing on 1 January 2017, the applicable regulations at the start of the entitlement shall be authoritative, save for the following provisions which shall also apply to pensions in payment on 1 January 2017:

- a) Article 26 (Payment), in other words, all pension payments shall end in the month coinciding with the beneficiary's death at the latest.
- b) Article 27 (Third-party benefits, reduction in benefits) with the following variance in paragraph 1: the reduction in benefits shall still be calculated on the basis of the presumed loss in earnings and not on the basis of the last reference annual salary.
- c) Article 32 (Pension sharing in connection with a divorce, including the provisions of Annex 4).
- d) Annex 2: in other words, when a retirement pension supersedes a temporary disability pension, the retirement pension shall be determined applying the conversion rates under the current Regulations.

All claims to a death grant under prior regulations shall be cancelled in respect of pensioner deaths occurring on or after 1 January 2017. This shall also apply to pensions in payment on 1 January 2017.



## VII. Final provisions

### Art. 39 Omissions and right of appeal

1

For any matters not settled under the Regulations, the Fund Manager shall decide an appropriate rule in accordance with the objective of the Fund.

2

Employees, members and their survivors, and pensioners may appeal to the Pension Board against the decisions of the Fund Manager. The substantiated objection shall be filed with the Chair of the Pension Board or with the Employee Representative within 60 days of the notification of the decision.

### Art. 40 Partial liquidation

In the event of a partial liquidation of the Fund, the statutory provisions shall be authoritative. The Pension Board shall adopt separate regulations governing the conditions and procedure for a partial liquidation.

### Art. 41 Amendment of Regulations

The Pension Board may amend these Regulations at any time within the limits of the law and the Foundation Charter. Provisions requiring additional payments by the Employer shall be subject to the Employer's consent. Amendments shall be communicated to the regulatory authorities.

### Art. 42 Disputes

Disputes between employees, members and pensioners on the one hand, and the Fund on the other, shall be settled in accordance with Article 73 BVG/LPP and the provisions of the relevant Cantonal procedural law.

### Art. 43 Effective date

These Regulations shall replace and supersede the Regulations of 1 January 2017 and shall come into effect on 1 January 2019 in accordance with Pension Board Resolution of 5 December 2018.

Zurich, 5 December 2018

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## Annex 1

### Reference amounts in accordance with Article 5

Maximum reference annual salary	CHF 150,000
Coordination deduction	CHF 8,400
Maximum pensionable annual salary	CHF 141,600

### Contributions in accordance with Article 9

The contribution rates are indicated in the following table. The age column shows the contributions for retirement credits in accordance with Article 6; the risk and cost column shows the cost-coverage contributions for risk insurance, increases in life expectancy, high conversion rates and other costs. Both the Employer and the members pay 1.5% to fund the risk insurance.

#### Standard Plan

Age	Member contributions			Employer contributions		
	Age	Risk & cost	Total	Age	Risk & cost	Total
18 – 20					4.25%	4.25%
21 – 34	4.0%	1.75%	5.75%	4.5%	2.5%	7.0%
35 – 44	5.0%	1.75%	6.75%	6.5%	2.5%	9.0%
45 – 54	7.0%	1.75%	8.75%	9.5%	2.5%	12.0%
55 – 65/64 *)	8.0%	1.75%	9.75%	11.5%	2.5%	14.0%
65/64 **) – 70	6.5%		6.5%	8.5%		8.5%

#### Plus Plan

Age	Member contributions			Employer contributions		
	Age	Risk & cost	Total	Age	Risk & cost	Total
18 – 20					4.25%	4.25%
21 – 34	4.5%	1.75%	6.25%	4.5%	2.5%	7.0%
35 – 44	6.5%	1.75%	8.25%	6.5%	2.5%	9.0%
45 – 54	9.5%	1.75%	11.25%	9.5%	2.5%	12.0%
55 – 65/64 *)	11.5%	1.75%	13.25%	11.5%	2.5%	14.0%
65/64 **) – 70	8.5%		8.5%	8.5%		8.5%

## Retirement credits (Art. 6)

### Standard Plan

Age	Retirement credits in % of pensionable salary
21 – 34	8.5%
35 – 44	11.5%
45 – 54	16.5%
55 – 65/64 *)	19.5%
65/64 **) – 70	15.0%

### Plus Plan

Age	Retirement credits in % of pensionable salary
21 – 34	9.0%
35 – 44	13.0%
45 – 54	19.0%
55 – 65/64 *)	23.0%
65/64 **) – 70	17.0%

\*) until normal retirement age

\*\*) after normal retirement age

### Effective date

This Annex comes into effect on 1 January 2020.

All previous annexes are cancelled.

## Annex 2

### Conversion rate in accordance with Articles 12(3) and 17(2)

Age at retirement date	from 1.1.2020
60	4.44%
61	4.55%
62	4.66%
63	4.77%
64	4.88%
<b>65</b>	<b>5.00%</b>
66	5.13%
67	5.26%
68	5.40%
69	5.56%
70	5.72%

#### Calculation principles

The amount of the annual retirement pension is calculated by multiplying the accrued retirement savings capital by the conversion rate for the member's age at the retirement date. The conversion rate increases pro rata for each additional full month in age.

The full annual disability pension after normal retirement age corresponds to the reference retirement savings capital (Article 17(2)) calculated at the disability date multiplied by the conversion rate for the normal retirement age. The credit interest rate from the following year according to Article 17(2)(c) is 2.0%.

#### Effective date

This Annex comes into effect on 1 January 2020.  
All previous annexes are cancelled.

## Annex 3

### Voluntary contributions in accordance with Article 10

Age	Standard Plan	Plus Plan
21	0%	0%
22	8%	9%
23	17%	18%
24	26%	28%
25	35%	37%
26	44%	47%
27	53%	57%
28	63%	67%
29	72%	77%
30	82%	88%
31	93%	99%
32	103%	110%
33	114%	121%
34	124%	132%
35	135%	144%
36	149%	160%
37	164%	176%
38	179%	192%
39	194%	209%
40	209%	226%
41	225%	244%
42	241%	262%
43	257%	280%
44	274%	299%
45	291%	318%
46	313%	343%
47	336%	369%
48	359%	395%
49	383%	422%
50	407%	450%
51	432%	478%
52	457%	506%
53	483%	535%
54	509%	565%
55	535%	595%
56	566%	630%
57	596%	666%
58	628%	702%
59	660%	739%
60	693%	777%
61	726%	815%
62	760%	855%
63	795%	895%
64	830%	936%
65	866%	977%

The above values are expressed in percent of pensionable salary. They refer to the status of the retirement savings capital at the end of the previous year. A member's age is the difference between the current calendar year and the year of his birth.

### Calculation principles

The maximum amount of the voluntary contribution is at the most equal to the difference between the maximum possible retirement savings capital and the accrued retirement savings capital at the end of the previous year. The highest voluntary contribution amount shall be reduced by:

- a) any vested termination benefits which the member has not transferred to the Fund;
- b) any pillar 3a pension assets to be taken into account in accordance with Article 60a BVV 2/OPP 2.

### Legal provisions

If a voluntary contribution is made, the pension benefits deriving therefrom may not be withdrawn as lump-sum capital for the following 3 years. The restriction shall not apply to benefits repurchased following a divorce.

If any withdrawals were made for the purchase of an own home, no voluntary contribution may be made before the withdrawals have been repaid in full. A withdrawal may be repaid up to 3 years before normal retirement age. After this time limit, voluntary contributions may be made, but in this case the maximum purchase allowance shall be reduced by the amount of the withdrawal.

The Fund cannot guarantee that any voluntary contributions will be tax-deductible.

### Example of a voluntary contribution (Article 10)

Age		43
Pensionable salary	CHF	76,600
Max. limit (Standard Plan: CHF 76,600 x 257%)	CHF	196,862
Available retirement savings capital at the end of the previous year	CHF	127,804
<b>Max. possible voluntary purchase</b>	<b>CHF</b>	<b>69,058</b>

### Effective date

This Annex comes into effect on 1 January 2019.  
All previous annexes are cancelled.

## Annex 4

### Pension-sharing provisions in connection with a divorce after an insured event

#### 1 Judicial pension-sharing order (Section 124a Swiss Civil Code)

If a court hands down a pension-sharing order, the disability or retirement pension in payment shall be reduced and the beneficiary spouse's pension shall be determined in accordance with the divorce decree or with Swiss federal law.

If a pension is shared in connection with a divorce, the BVG/LPP pension of the debtor spouse shall be reduced proportionately.

#### 2 Child's and orphan's pensions, spouse's pension

Existing entitlements to children's pensions at the initiation of divorce proceedings shall not be reduced as a result of a divorce. Subsequent entitlements to children's pensions shall be determined on the basis of the reduced retirement or disability pension. If a child's pension is not affected by a pension-sharing order, any subsequent orphan's pension shall be calculated on the same basis.

The spouse's pension shall be determined on the basis of the reduced retirement or disability pension.

#### 3 Adjustment of a disability pension after transfer of a termination payment (Article 19 BVV2/OPP2)

If a termination payment is transferred, the disability pension shall be reduced from the date of the decree absolute of divorce. If a member reaches normal retirement age before the end of his divorce proceedings, the reduction shall be effective at that date. In addition to the reduction in disability pension, the relevant subsequent benefits, such as survivor benefits, retirement benefits and the termination payment shall also be reduced.

In principle, the reduction in benefits shall correspond to the enhancement in benefits that would have resulted from a voluntary contribution of the same amount. The initiation date of the divorce proceedings and the regulations in force at the start of the entitlement to a disability pension shall apply. The reduction in disability pension compared with the existing disability pension shall not exceed the ratio of the transferred portion of the termination payment to the total termination payment.

If, in a defined contribution system, the disability pension was calculated based on a projection of the retirement savings capital, the reduction shall be calculated applying the conversion rate and projection interest rate applicable at the start of the entitlement to the disability pension.

Temporary disability pensions that were calculated as a fixed percentage of the pensionable salary shall not be reduced.

If, under the Regulations applicable at the start of the entitlement, the disability pension for the period until normal retirement and for the period after normal retirement age were calculated in different ways, the reductions in disability pension shall be calculated separately for the two periods. The principle that a pension defined as a fixed percentage of the pensionable salary shall not be reduced shall also apply in this case.

If mandatory and extra-mandatory benefits were calculated using different parameters, then the reduction shall be calculated analogously.



If, following a divorce, a portion of the termination payment to which the disabled member would have been entitled in the event of reactivation is transferred, the termination payment or the remaining retirement savings capital shall be reduced by the amount transferred.

#### **4 Additional reduction in the termination payment and pension of a disabled member on reaching normal retirement age during divorce proceedings (Article 19g FZV/OLP).**

If the debtor spouse is drawing a disability pension and reaches normal retirement age during the divorce proceedings, the portion of the termination payment to be transferred and the pension shall be additionally reduced by the amount of the excess pension payments.

The excess pension payments shall correspond to the amount by which the pension payments would have been reduced between the date the member reached the normal retirement age and the date of the decree absolute if they had been calculated based on the pension assets reduced by the transferred portion of the termination payment. The reduction shall be split equally between the two spouses.

#### **5 Procedure in case of retirement during divorce proceedings (Article 19g FZV/OLP)**

If, between the initiation of divorce proceedings and the divorce, a member becomes entitled to a retirement pension and a portion of his retirement savings capital has to be transferred to the beneficiary spouse, the retirement pension must be retroactively recalculated after the divorce.

The recalculation shall be made applying the conversion rate used to calculate the retirement pension at the start of the entitlement and the retirement savings capital reduced by the amount to be transferred under the divorce decree.

Excess pension payments between the start of the entitlement and the date of the decree absolute, corresponding to the difference between the first retirement pension calculation and the recalculated retirement pension, shall be split equally between the beneficiary and the debtor spouse.

#### **6 Reduction in BVG/LPP disability and retirement pensions (minimum benefits)**

If a termination payment has to be transferred, the BVG/LPP disability and retirement pensions shall be reduced by the transferred portion of the BVG/LPP retirement savings capital multiplied by the BVG/LPP conversion rate used for calculating the BVG/LPP disability or retirement pension.

If a disability or retirement pension is reduced without the transfer of a termination payment, the BVG/LPP disability or retirement pension shall be reduced proportionately. The retirement savings capital which will continue to be kept for the disabled member shall be reduced by the disbursed portion.

#### **7 Reduction in case of excess pension payments prior to the decree absolute of divorce**

Any excess disability or retirement pension payments shall be split equally between the debtor and the beneficiary spouses. The termination payment transferred to the beneficiary spouse shall be reduced accordingly. The other half of the excess pension payments shall be charged to the debtor spouse as an additional reduction in his pension from the date of the decree absolute.

The amount of the reduction shall correspond to half of the excess pension payments multiplied by the conversion rate for the debtor spouse's age at the reduction date. The regulatory conversion rates at the start of the entitlement to the disability or retirement pension shall apply.

If a conversion rate is missing because the latest possible retirement age has already been overstepped, then the reduction shall be calculated applying the conversion rate for the latest retirement age increased for each additional year of age by the same annual difference as before the latest retirement age. Months shall be taken into account pro rata.

## **8 Pension portions allocated to the beneficiary spouse under a pension-sharing order**

Pension portions allocated to the beneficiary spouse under a pension-sharing order are simple lifelong annuities. The entitlement shall cease at the end of the month coinciding with the death of the beneficiary spouse. Such pensions do not give rise to any entitlement to reversionary survivor benefits.

Instead of a pension, the transfer of a lump-sum settlement to an occupational benefits institution or a vested benefits institution may be agreed with the beneficiary spouse. The amount of the lump-sum settlement shall be calculated based on the cash values in the table at the end of this Annex.

## **9 Recognition of the portion of a pension under a pension-sharing order for the calculation of a voluntary entry contribution**

The amount of the maximum possible voluntary entry contribution shall be reduced by the cash value of the pension allocated under a pension-sharing order. The cash values in the table at the end of this Annex and the age at the date of the voluntary entry contribution shall apply. The same applies if the pension is transferred to a vested benefits institution.

## **10 Repurchase after divorce**

If, when divorce proceedings are initiated, the debtor spouse is drawing a disability pension before normal retirement age, he may not repurchase the transferred termination payment (Article 22d(2) FZG/LFLP). Nor may the reduction in a disability or retirement pension under a pension-sharing order be compensated by a purchase.

## **11 Table of cash values**

Cash values for a pension of CHF 1 per year

VZ 2010 G 2017 actuarial tables with a discount rate of 2.8% (tariff rate)

Intermediate values are obtained by linear interpolation /  $x$  = actual age of the beneficiary

x	Men	Women	x	Men	Women
17	31.191	31.607	59	19.000	20.362
18	31.039	31.466	60	18.528	19.912
19	30.884	31.322	61	18.049	19.452
20	30.724	31.174	62	17.564	18.985
21	30.561	31.022	63	17.072	18.509
22	30.394	30.865	64	16.576	18.025
23	30.223	30.704	65	16.074	17.535
24	30.047	30.538	66	15.568	17.037
25	29.866	30.368	67	15.057	16.530
26	29.678	30.191	68	14.541	16.015
27	29.485	30.011	69	14.020	15.492
28	29.286	29.824	70	13.495	14.960
29	29.080	29.632	71	12.964	14.418
30	28.867	29.433	72	12.430	13.868
31	28.646	29.229	73	11.894	13.314
32	28.418	29.018	74	11.359	12.756
33	28.182	28.801	75	10.828	12.197
34	27.937	28.577	76	10.300	11.640
35	27.684	28.347	77	9.778	11.084
36	27.424	28.109	78	9.263	10.531
37	27.156	27.865	79	8.754	9.981
38	26.879	27.613	80	8.251	9.435
39	26.594	27.354	81	7.753	8.892
40	26.300	27.087	82	7.264	8.356
41	25.999	26.814	83	6.788	7.831
42	25.688	26.531	84	6.330	7.322
43	25.368	26.241	85	5.892	6.834
44	25.040	25.943	86	5.477	6.367
45	24.703	25.637	87	5.086	5.926
46	24.356	25.322	88	4.721	5.509
47	24.000	24.998	89	4.382	5.119
48	23.635	24.665	90	4.069	4.755
49	23.261	24.323	91	3.784	4.416
50	22.877	23.971	92	3.525	4.103
51	22.482	23.610	93	3.290	3.813
52	22.079	23.239	94	3.075	3.545
53	21.666	22.858	95	2.879	3.297
54	21.243	22.467	96	2.698	3.066
55	20.811	22.066	97	2.530	2.852
56	20.371	21.655	98	2.373	2.652
57	19.922	21.234	99	2.225	2.465
58	19.465	20.803	100	2.082	2.288

**Effective date**

This Annex shall come into effect on 1 January 2019.