Swisscanto
Flex Collective
Foundation

# General framework regulations (GFR) effective from1. January 2021

Swisscanto Flex Collective Foundation of the Cantonal Banks

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# A. Basis and structure

**Introduction**
The pension scheme of an affiliated company is defined by the General Framework Regulations and the pension plan.

**General Framework Regulations**
These General Framework Regulations provide the legal and organisational framework for the pension scheme of an affiliated company.

**Pension plan**
The plan-specific components of the pension scheme of a company are set out in the pension plan of the respective group of insured persons.

### Art. 1 Pension carrier and purpose

Purpose

[1] These framework tegulations govern the employee benefits insurance of the employees of all employers who have concluded one or more affiliation contracts with the Swisscanto Flex Collective Foundation of the Cantonal Banks (hereinafter Foundation).

Structure

[2] Structure of the Foundation in the organisation regulations.

Registration pursuant to the BVG

[3] The Foundation provides mandatory employee benefits insurance and is therefore entered in the register of occupational pension providers pursuant to Art. 48 BVG. It guarantees the benefits that must be provided under the Swiss Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVG) and complies with the provisions of this law. The Foundation is supervised by the Office for Employee Benefits Insurance and Foundation Supervision of the Canton of Zurich (BVS).

Security Fund

[4] The Foundation is affiliated with the BVG Security Fund, which it finances with contributions on behalf of each pension fund. The Security Fund secures the statutory prescribed mandatory and extra-mandatory benefits payable by insolvent pension funds. It also pays contributions to pension funds which, due to an unfavourable age structure, have to pay retirement credits in excess of 14% of the coordinated BVG salaries, and serves as the Central Office for the employee benefits insurance for forgotten termination benefits.

Reinsurance

[5] The insured risks of death and disability can be fully or partially reinsured with a licensed life insurance company. In this case, the Foundation is the policyholder and the only beneficiary.

Legal relationships and services

[6] The legal relationships of the insured persons and the affiliated employer with the Foundation are governed by these Framework Regulations, the pension plan and the affiliation contract for the individual pension fund. The Foundation provides benefits in compliance with the provisions of the pension plan, but at least the minimum benefits prescribed by the BVG.

### Art. 2 Affiliation with the Foundation

Afiliation contract

[1] An employer affiliates with the Foundation upon signature of the affiliation contract by the Foundation, but at the earliest on the date indicated in the affiliation contract. This contract sets out the rights and obligations of the contracting parties.

Structure

[2] The individual pension funds are structured with pre-insurance and main insurance components. The pre-insurance component is solely a risk insurance component that covers the risks of death and disability.

The main insurance component comprises:

a. A savings component managed by the pension fund;
b. Risk insurance for the risks of death and disability.

Termination of Affiliation contract

[3] The affiliation of an employer is cancelled when ordinary notice of termination of the affiliation contract is given in accordance with the contractual provisions. In order for the employer to terminate the affiliation contract, it must obtain the prior consent of the employees or their representative under the Cooperation Act.

### Art. 3 Pension funds

Pension funds

[1] The Foundation maintains a separate pension fund with at least one pension plan for each affiliated employer. This pension fund has its own pension fund commission consisting of an equal number of employer and employee representatives.

Pensioners are managed in a separate pension fund.

### Art. 4 Provisions and reserves

Technical provisions

[1] Technical provisions are raised either at Foundation level or at pension fund level for the actuarial risks and fluctuations. Joint provisions can also be created for the pension funds in the "Flex Collective" area.

The purpose and accrual of the technical provisions are set out in the regulations on the formation of provisions and reserves.

Value fluctuation reserves

[2] Value fluctuation reserves are raised at pension fund level to cushion financial fluctuations. A common value fluctuation reserve is created for the pension funds in the "Flex Collective" area.

The purpose and accrual of value fluctuation reserves are set out in the investment guidelines.

# B. General provisions

**Art. 5 Insured persons, conditions of admission**

Group of insured persons

[1] All employees who are required under the pension plan to do so must join the pension fund of an affiliated employer at the start of their employment relationship.

Conditions of admission

[2] The following individuals are not admitted to the pension fund:

a. Employees who have not yet turned 17;
b. Employees who have already reached or exceeded the statutory retirement age;
c. Employees whose annual salary does not exceed the entry threshold defined by the BVG or the pension plan. For partially disabled persons, this amount is adjusted according to the relevant reduction in the level of earning capacity;
d. Employees whose employment contract was concluded for a maximum period of three months. If the employment relationship is extended for a period of more than three months, the employee is insured from the date on which the extension was agreed. If several consecutive employment relationships with the same employer or periods of deployment for the same employment agency together last longer than three months in total and there is no interruption of more than three months, the employee will be insured from the beginning of the fourth month; however, if it was agreed prior to the beginning of the employment relationship that the employment relationship/deployment would last longer than three months, the employee will be insured from the beginning of the employment relationship;
e. Employees who work part-time and already have mandatory insurance cover for their main profession or who are primarily self-employed;
f. Employees who have been classified by the invalidity insurance (IV) as at least 70% disabled and persons whose insurance cover is provisionally continued with the previous pension scheme pursuant to Art. 26a BVG;
g. Employees who are not, or do not expect to be, permanently employed in Switzerland and who have adequate insurance cover abroad, provided they apply for exemption from joining the Foundation. This exception does not apply for persons who, in accordance with the bilateral agreements and the European law on which they are based, are subject to social security according to Swiss legislation.

Amounts below entry threshold

[3] If the annual salary falls below the entry threshold according to the pension plan and the employee is therefore no longer subject to insurance cover, a termination benefit will fall due after two years at the latest.

Voluntary insurance

[4] The Foundation does not offer any voluntary insurance for part-time employees for the salary component they receive from other employers.

External insurance

[5] The Foundation does not continue any insurance cover for an employee whose employment relationship was terminated without entitlement to any benefits.

Unpaid leave

[6] If the employee takes unpaid leave, insurance cover can be continued in part or in full on application of the employer and provided that the contributions are paid. If, however, contributions are no longer paid, the insurance will only continue for one month after the termination of contribution payments. After this period, the provisions of para. 3 apply.

### Art. 6 Medical examination, restriction in benefits

Medical examination

[1] Potential employees must complete a health questionnaire. Based on the information provided, the management office of the Foundation can require the employee to submit to an examination by the medical examiner at the cost of the Foundation and request that a health certificate is issued for the attention of the Foundation. On request of the Foundation, a substantial improvement in the insured benefits can be made conditional on the outcome of a medical examination.

The insured person will be informed of any health reservations once all the documents required for the decision are available, but at the latest three months after receipt of the medical report. The fact that an insurance certificate has been issued does not necessarily mean that the insured person has been accepted for unlimited insurance benefits without any reservations.

Violation of duty of disclosure

[2] If the questions are not answered or not answered honestly, the Foundation can reduce the death or disability benefits to the statutory minimum benefits within three months of becoming aware of the violation of the duty of notification.

Reservations

[3] The management office may, based on the outcome of the medical examination, apply a health reservation for the extra-mandatory risk benefits. However, this may only apply for a maximum of five years from the date of enrolment with the pension fund. If an insured event should occur during the period of the health reservation, the reason for which was also the reason for the health reservation, the risk benefits to be paid by the pension fund will be reduced to the mandatory benefits pursuant to the BVG for the rest of the insured person's life.

Existing reservations

[4] No health reservation may be applied to the pension benefits financed with the termination benefits brought into the pension fund unless such a reservation had already been applied by the previous pension scheme. For this reservation, the period that elapsed in the previous pension scheme must be deducted.

Existing ailments

[5] If an insured event occurs before the medical examination can be carried out, the pension fund is entitled to reduce any risk benefits to the BVG minimum insofar as they are the consequence of illnesses or accidents from which the employee already suffered prior to joining the pension fund or for which they are susceptible due to previous ailments as well as for existing ailments and infirmities.

Pre-existing incapacity for work

[6] If an employee is not fully able to work before or upon being enrolled with the pension fund but is not disabled as defined by the BVG, and if the cause of this incapacity for work leads to disability or death within the period relevant for the BVG, there is no entitlement to benefits. If the employee was insured with another pension fund when they became incapable of working, the other pension fund is responsible for providing the relevant benefits.

Salary adjustments and changes to the pension plan

[7] Paragraphs 1 to 6 may be applied mutatis mutandi to increases in benefits due to salary adjustments or changes to the pension plan.

### Art. 7 Age, retirement age

Age

[1] The insured person's age is the difference between the calendar year and the year of birth.

Retirement age

[2] The retirement age is defined in the pension plan. Early or deferred retirement is possible within the limits of the pension plan.

Entitlement

[3] The claim to retirement benefits arises on the first day of the month following the date on which the insured person reaches the retirement age.

### Art. 8 Start and end of insurance

Start

[1] Insurance cover starts upon commencement of the employment relationship.

Extra-mandatory insurance cover is provisional. The approval of definitive cover is dependent on the outcome of a medical examination as defined in Art. 6. Provisional insurance cover applies from the date of enrolment until all the registration documents have been finally checked. If all registration documents have been checked and the medical examination has been carried out, provisional insurance cover is replaced by definitive insurance cover.

End

[2] The insurance obligation ends with the termination of the employment relationship, insofar as there is no entitlement to pension benefits.

Admission

[3] Admission to the insurance is governed by the pension plan. Admission takes place at the earliest on the date on which the conditions for insurance are met.

Extended cover

[4] The insured person remains covered for the risks of death and disability for one month following the termination of the pension relationship. If they enter into a new pension relationship within this period, the new pension fund is responsible for the payment of benefits.

### Art. 9 Continuation of the pension from age 58 on termination of the employment relationship by the employer

Entitlement to continuation of insurance

[1] If the employment relationship of the insured person is terminated by the employer after the age of 58, the pension can be continued at the request of the insured person.

[2] The insured period must request the continuation of the pension in writing before leaving and providing evidence of the termination of the employment relationship pronounced by the employer. The insurance conditions are set out in an agreement between the insured person, the pension fund and the Foundation.

[3] The insured person chooses how they wish to continue the pension. The options are:

a.Unchanged insured salary for pension provision and the risks of death and disability

b.Unchanged insured salary for the risks of death and disability, no continuation of savings contributions for retirement provision.

[4] The selection can be changed annually with effect from 1 January. The Foundation must be informed in writing no later than (31 December of the previous year). The selected form will remain in force without written notice.

[5] The termination benefit remains in the Foundation, even if the retirement provision is no longer being built up.

Contributions

[6] The insured person pays the total contributions to cover the risks of death and disability and administrative costs, as well as any restructuring contributions. If they continue to build up the pension, they will also pay the corresponding contributions.

End

7 The insurance ends
a. at the time of the insured person's death
b. upon occurrence of invalidity
c. when the regulatory retirement age is reached
d. upon joining a new pension fund to which more than two-thirds of the termination benefit can be transferred
e. upon cancellation of the insurance by the insured person
f. with the termination of the pension fund to the point in time of the last month of contributions paid if the contribution is not paid

8 If the continuation of the insurance has lasted for more than two years, the insurance benefits must be received in the form of a pension and the termination benefit can no longer be brought forward or pledged for residential property for own use.

## Art. 10 Pensionable annual salary

Annual salary

1 The annual salary equals the presumed annual salary according to the Federal Act on Old Age and Survivors' Insurance (AHV).

The following principles must be observed when determining the annual salary:
a. Salary components that are only paid occasionally or temporarily are not included;
b. Payment in kind is treated as salary pursuant to the provisions of the AHV;
c. Loss of earnings due to sickness, accident or military service is not deducted;
d. For professions where there are major fluctuations in the work quota or the amount of the salary, the annual salary can be roughly determined based on the average salary for the relevant professional group.

Coordination offset

2 A coordination offset may be introduced to coordinate the pension benefits with the benefits payable by the AHV/IV. This is specified in the pension plan.

Pensionable annual salary

3 The pensionable annual salary is defined in the pension plan. It has been defined such that, together with pensionable annual salaries insured with other pension funds, it does not exceed ten times the upper ceiling pursuant to Art. 8 para. 1 BVG.

Admission during the year

4 The annual salary is determined for the full year. If employment is started during the year, it is annualised.

Salary adjustments

5 The annual salary is adjusted to the current situation on 1 January, whereby any changes agreed for the current year must be taken into account. If salary adjustments are made due to changes in the percentage of working hours, the annual salary can also be adjusted during the course of the insurance year. No adjustments are made for individuals who are fully incapable of working or fully disabled. If an insured event occurs, any incorrect adjustments are reversed.

Art. 6 can be applied mutatis mutandis to benefit increases.

Adjustment to the threshold limits

6 The maximum salary, coordination offset and minimum salary can be reduced for part-time employees and must be reduced for partially disabled persons by adjusting these amounts to the percentage of working hours or remaining capacity for work. The details are set out in the pension plan.

Salary adjustment in the event of disability

7 If an insured person is declared partially disabled as defined by Art. 17, the benefits are divided into a disability (passive) component according to the level of disability, for which no salary adjustments are made, and an active component for the remaining earning capacity, for which

salary adjustments pursuant to the provisions of this article can be made.

Continued insurance of previous salary after age 58

[8] Insured persons whose annual salary is reduced by at most half after the age of 58 can request in writing that their previous pensionable annual salary should be retained until the age of retirement pursuant to the pension plan. The insured person must also pay the employer contributions for the continued insurance of this part of the salary. Any share that may be payable by the employer is specified in the pension plan. Continued insurance of the previous pensionable annual salary is not possible if the insured person already receives retirement benefits from the Foundation (semi-retirement).

# C. Financing

## Art. 11 Contributions

Start of obligation to pay contributions

1 The obligation of the employer and the insured person to pay contributions starts on the date of admission to the pension fund.

End of obligation to pay contributions

2 The obligation to pay contributions ends

a. Upon leaving the pension fund;
b. When all retirement benefits fall due;
c. At the end of the month of death;
d. Upon termination of the continued payment of the salary or the expiry of the daily benefits, unless provided otherwise in the pension plan, but at the latest when the insured person reaches retirement age.

Total contribution

3 The total contribution is made up of the following components:

a. Savings contribution;
b. Supplementary contribution.

Savings contribution

4 The savings contributions are used to accrue the savings capital. If the pension fund offers a choice between different savings plans, the insured person can choose from the savings plans upon joining the Foundation or at the beginning of a calendar year in accordance with the rules of the pension plan. A maximum of three savings plans per pension plan is allowed.

Supplementary contribution

5 The supplementary contributions are used to finance:

a. The risks of death and disability;
b. Contributions to the Security Fund;
c. The administrative and other costs.

The Board of Trustees or the Pension Fund Commission can adjust the amount of the supplementary contribution to changed circumstances on 1 January every year. It is not refunded upon termination of the employment relationship.

Contribution amounts

6 The contributions by the employer and the insured person are set out in the pension plan. The employer's contributions must always equal at least the total contributions of all its employees.

Salary deductions

7 The employer owes all contributions to the Foundation. The employer must deduct the insured persons' contributions from their salaries. Supplementary contributions and savings contributions must be paid monthly, but at the latest before the end of the year. If the employer falls into arrears with the contributions, the Foundation charges reasonable interest on arrears.

Waiver of contributions

[8] If an insured person is incapable of gainful employment due to sickness or accident without interruption for the waiting period pursuant to the pension plan, the contributions of the insured person and the employer are reduced in accordance with the pension scale pursuant to Art. 19 para. 3 of these regulations or the level of the incapacity for work, for as long as the insured person is not disabled. Once a decision from the Federal Invalidity Insurance (IV) is available, the contribution waiver is determined by the level of disability.

Waiting period

[9] The waiting period is calculated by adding together all periods during which the insured person was unable to work, unless they occurred immediately prior to a period during which the insured person was fully incapable of working for longer than 12 months. The insured person is entitled to a waiver of contributions without a new waiting period if they were previously entitled to a waiver of contributions and did not work full-time for longer than 12 months in the intervening period.

Conditions

## Art. 12 Temporary contribution reduction

[1] If a pension fund identifies its own uncommitted funds allocated to the pension fund and if the pension purposes are secured and fulfilled, the Pension Fund Commission consisting of an equal number of employer and employee representatives may decide to use these free funds. The uncommitted funds in a pension fund can also be used to reduce or exempt contributions, provided that the following conditions are met.

Pensioner participation

[2] Where uncommitted funds are used to reduce or exempt contributions, the pensioners assigned to the pension fund will also participate appropriately in the distribution of the uncommitted funds in consultation with the pension actuary.

[3] The pro-rata uncommitted funds for pensioners are to be used for one-off allowances on current pensions.

Contribution reduction

[4] The contribution reduction takes place in % and equally.

Carrying forward of savings balance

[5] Savings balances will be carried forward in the same way as if no temporary reduction or waiver of contributions were to take place.

Decision and information

[6] The Pension Fund Commission decides annually whether and to what extent premium reductions are granted and to what extent pension recipients participate in the uncommitted assets. The Pension Fund Commission records the decision in the pension plan of the pension fund. The Pension Fund Commission explains the decision in information to the insured persons and pensioners of the pension fund.

## Art. 13 Savings capital, special savings account

Savings capital

1 Savings capital is accrued for each insured person.

Accrual of savings capital

2 The following is credited to the savings account:
- a. The savings contributions;
- b. The termination benefits brought into the pension fund from previous pension relationships;
- c. Repayments in the context of the promotion of home ownership;
- d. Repayments following a divorce;
- e. Compensation payments received following a divorce; and
- f. Interest.

The savings account is debited with:
- a. Early withdrawals in the context of the promotion of home ownership;
- b. Compensation payments made following a divorce.

Special savings accounts

3 The following is credited to the «Purchase of maximum benefits», «Purchase to compensate for the effects of early retirement» and «Purchase of an AHV bridging pension» special savings accounts:
- a. Sums paid in by the insured person to purchase the maximum benefits, to partially eliminate the pension reduction at early retirement, and to pre-finance the AHV bridging pension;
- b. Repayments in the context of the promotion of home ownership;
- c. Repayments following a divorce;
- d. Interest.

The following is debited to the «Purchase of maximum benefits», «Purchase to compensate for the effects of early retirement» and «Purchase of an AHV bridging pension» special savings accounts:
- a. Early withdrawals in the context of the promotion of home ownership;
- b. Compensation payments made following a divorce.

Interest rates

4 The rate of interest payable by the Foundation for the past financial year on the full pension capital and the special savings accounts of the persons who were still insured on 31 December of the financial year (dividend) is determined annually by the Board of Trustees or the Pension Fund Commission on the basis of the financial situation in accordance with the participation and restructuring regulations.

The Board of Trustees or the pension fund commission also determines the interest rate for pro rata payments (insured events) during the current financial year.

Interest

5 The interest is credited to the savings capital at the end of the calendar year.

Pro rata interest

6 If termination benefits are vested or a purchase made, if an insured event occurs or the insured person leaves the pension fund during the year, interest for the year in question is calculated on a pro rata basis.

Contributions in the event of disability

7 In the event of full disability, the savings contributions based on the most recent pensionable annual salary continue to be credited to the savings capital until retirement age. In the event of partial disability, the savings capital is divided into a disabled (passive) component and an active component according to the level of disability. The disabled component is managed as for a fully disabled person and the active component as for an active insured person.

### Art. 14 Entry benefits, purchase of additional benefits

Entry benefits

[1] Termination benefits from other pension schemes, including funds from vested benefit accounts and/or safekeeping accounts or vested benefit policies, must be brought into the Foundation as an entry benefit. The full amount is credited to the personal savings capital as per the date of the transfer. The Foundation is entitled to request a confirmation by the insured person that all termination benefits have been transferred.

Purchase of maximum benefits

[2] An active insured person whose savings capital does not cover the maximum retirement benefits can purchase additional pension benefits at any time prior to the occurrence of an insured event, subject to para. 8 and taking into account any assets from previous pension relationships and any Pillar 3a assets pursuant to Art. 60a of the Ordinance on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVV2). The calculation of the potential purchase amount is based on the selected savings plan (scaled by age) and an average interest rate of 2.0% at most. The interest rate used is shown in the pension plan. These purchases are credited to the "Purchase of maximum benefits" special savings account. The employer can participate financially in purchasing. In this case, the same conditions apply as when the insured person makes the purchase.

Medical examination

[3] If the purchase results in higher risk benefits – aside from the increase in the savings capital – the provisions on a possible medical examination and health reservation upon enrolment with the insurance pursuant to Art. 6 apply mutatis mutandis to this increase in benefits. A health reservation is not applied if the insured person repurchases a gap in benefits that resulted from a divorce within one year of the date of divorce.

Purchase for early retirement

[4] If an active insured person has purchased all their missing pension benefits pursuant to para. 2 in full, they may also make additional payments to cover part of the shortfall that occurs with early retirement. The pension reduction can be eliminated in full if the retirement pension does not exceed the amount according to the model. The possible purchase total be calculated on the basis of the desired retirement age, the pension plan and the buy-in table in the pension planthe conversion rates applicable in each case. These purchases are credited to the "Purchase to compensate for the effects of early retirement" special savings account.

Continued employment following purchase for early retirement

[5] As soon as the value of the retirement pension defined by the limits in the model plus the subsequent increase by the amount paid into the «Purchase to compensate for the effects of early retirement» account equals more than 105% of the regulatory pension calculated in accordance with the model as set out in the pension plan, the following measures take effect:

a. The employee and the employer do not pay any more contributions, apart from supplementary contributions pursuant to Art. 10 para. 5 and contributions for financial restructuring pursuant to Art. 43 para. 5 a).
b. The conversion rate valid at this point is frozen. In the event of the permanent termination of the employment relationship, the retirement pension that is due is calculated using this frozen conversion rate.
c. All accounts cease to earn interest.
d. If the measures a) to c) are insufficient, the difference is transferred to the Foundation's uncommitted funds.

Purchase of AHV bridging pension

[6] An insured person has the option of pre-financing all or part of an AHV bridging pension. The calculation of the potential purchase amount is based on the desired age of retirement. It is explained in the pension plan. Special savings contributions are credited to the «Purchase of an AHV bridging pension» special savings account.

Full purchase

7 In order to ensure the full purchase of the maximum benefits or a complete partial purchase of the pension reduction at a specific retirement age according to the model, the respective special savings account must be constantly compared to the amount in the table, calculated on the basis of the current pensionable annual salary, and another purchase must be made if necessary.

Tax deductibility

8 The insured person must verify with the relevant authorities whether the voluntary purchase according to paras. 2, 4 and 6 may be deducted for income tax purposes.

Purchase restrictions

9 If purchases have been made, the resulting benefits may not be withdrawn as a lump sum in the following three years.

If advance withdrawals were made to finance residential property, voluntary purchases may only be made once these advance withdrawals have been repaid. Insured persons who have made advance withdrawals for the purchase of residential property may, however, make voluntary purchases three years before they reach the retirement age pursuant to the pension plan, provided that these purchases, together with the advance withdrawals, do not exceed the maximum potential purchase amount specified by the regulations.

Persons from abroad

10 Persons who move to Switzerland from abroad who have never before belonged to a pension fund in Switzerland may not purchase benefits for more than 20% of their pensionable salary during the first five years following enrolment.

Crediting of entry benefits

11 Entry benefits and transfers following a divorce are credited pro rata to the mandatory and extra-mandatory retirement benefits in accordance with the instructions of the transferring pension fund.

Repurchase of benefits following divorce

12 For a repurchase after a divorce and the repayment of an advance withdrawal for residential property, the amount is credited to the same accounts in the same proportion as the former withdrawal. If the mandatory component of an advance withdrawal for residential property can no longer be determined, the amount is credited in the same proportion as the current division of the retirement assets.

Purchases

13 Purchases made by the insured person of regulatory benefits and to finance early retirement, contributions by the employer and any other contributions, e.g. contributions by the Foundation, are credited to the extra-mandatory retirement assets.

# D. Retirement benefits

### Art. 15 Retirement pension

Entitlement

[1] Upon reaching retirement age, the insured person is entitled to a lifelong retirement pension.

Amount

[2] The amount of the annual retirement pension is calculated by converting the accrued savings capital, plus the savings capital in the special savings account «Purchase of maximum benefits» and any savings capital for the purchase of early retirement, using the relevant conversion rate pursuant to the pension plan (taking account of Art. 13 para. 6). As the conversion rate can be adjusted by the Board of Trustees to changed circumstances from 1 January of any financial year, previously prepared individual retirement calculations will also be adjusted. There is therefore no legal entitlement to the pension benefits notified previously. Insured persons must be informed of any changes six months in advance.

The conversion rate for December applies to retirements as of 31 December.

[3] The pension plan can also specify that a global target retirement pension (total pension incl. AHV retirement pension) is promised at retirement age, scaled according to the number of service years. The details must be regulated by the pension plan.

Early retirement

[4] Early retirement is possible at the earliest from the age of 58. In the event of early retirement, the insured person receives a pension from the Foundation following the end of the employment contract.

Reduction of retirement pension

[5] The amount of the retirement pension at early retirement equals the savings capital, plus the savings capital in the special savings account «Purchase of maximum benefits and the savings capital in the special savings account «Purchase to compensate for the effects of early retirement» at the time of early retirement, multiplied by the conversion rate pursuant to the pension plan.

Semi-retirement

[6] In the event of semi-retirement from work during the period of early retirement up to a maximum of 5 years after reaching retirement age, the insured person can request a corresponding semi-retirement pension if their relevant annual salary is reduced by at least 20%.

Deferred retirement

Pension fund

[7] If an insured person is employed beyond the regular retirement age with the agreement of their employer, they can withdraw the pensions due in cash or defer the retirement lump-sum against payment of interest. With deferral of retirement beyond the regular retirement age (without drawing the pension due, at most for five years past retirement age), the applicable conversion rate is increased. Savings contributions and earnings can continue to accrue. However, death and disability cover ends at the latest when the insured person reaches the retirement age.

Disability and retirement

[8] Upon retirement, the insured is transferred to the pensioners' pension fund. In the event of semiretirement, the insured person is will continue to be managed as a member of their regular pension fund (in the "Flex Collective" area or in the "Flex Individual") as well as the pensioners' pension fund.

Death during deferred retirement

[9] If an insured person becomes disabled during early retirement or semi-retirement and/or during the period of deferred retirement, there is no entitlement to disability benefits and the retirement benefits are paid instead.

Requirements for deferred retirement

[10] If an insured person dies during the period of deferred retirement, the survivors' benefits are based on the vested retirement pension and accrued savings capital.

[11] In the event of deferment of the total retirement benefits, the annual salary must equal at least two thirds of the annual salary that the insured person would have earned at retirement age. In the event of the deferment of half the retirement benefits, this must equal at least one third.

## Art. 16 Retirement capital

Lump-sum withdrawal

[1] The insured person (actively insured person and person with disabilities) can , subject to Error! Reference source not found.(continuation of the pension from age 58 on termination of the employment relationship by the employer). Such a lump-sum withdrawal results in a corresponding reduction in the retirement pension and the co-insured benefits. A corresponding amount of claims vis à vis the Foundation is deemed to have been discharged with the withdrawal of the capital and balance of the special savings accounts.

Written declaration

[2] A corresponding written application must be submitted before the age of retirement is reached or before taking early retirement.

Consent of spouse / life partner

[3] If the insured person is married, the application is valid only with the written consent of the spouse. The management office is entitled to request official certification by a notary or any other verification of the signature. If the consent cannot be obtained or if it is refused for no good reason, the matter can be referred to the civil court.

Information of life partner

[4] If the insured person has a life partner as defined in Art. 22, the application is only valid if the life partner confirms by their signature that they have been informed of the lump-sum withdrawal. The management office is entitled to request official certification by a notary or any other verification of the signature.

## Art. 17 AHV bridging pension

Entitlement

[1] Insured persons who take early retirement can take out an AHV bridging pension to partially compensate for the missing AHV retirement pension.

Start / end

[2] The AHV bridging pension is paid from the same date as the retirement pension. It expires when the funds in the special savings account «Purchase of an AHV bridging pension» are used up, upon reaching the AHV retirement age, when the IV starts paying a pension or if the insured person dies.

Amount

[3] The amount of the AHV bridging pension is defined in the pension plan and may not exceed the maximum AHV retirement pension.

Reduction

[4] The AHV bridging pension is financed either with the savings capital accrued in the special savings account «AHV bridging pension» or with an actuarially equivalent, lifelong reduction in the retirement pension from the date of early retirement. The pension actuary calculates the reduction, using the tables in the pension plan. The co-insured current and future benefits are based on the reduced retirement pension.

Adjustment to AHV retirement pension

[5] The bridging pension is not increased following any increase in the AHV retirement pension.

# E. Disability benefits

### Art. 18 Retired person's child's pension

Entitlement

1 Recipients of a retirement pension are entitled to a retired person's child's pension for every child who would be entitled to an orphan's pension pursuant to Art. 22 in the event of their death.

Start / end

2 Unless specified otherwise in the pension plan, the retired person's child's pension is paid from the same date as the retirement pension. It expires when the underlying retirement pension ceases, but at the latest once the entitlement pursuant to para. 1 ends.

Amount

3 The amount of the retired person's child's pension is specified in the pension plan. The claim for all retired person's child's pensions together is limited to the maximum AHV retirement pension.

Amount of retired person's child's pension upon early retirement

4 Until the recipient of a retirement pension reaches retirement age, the annual retired person's child's pension equals 20% of the current retirement pension pursuant to the BVG minimum for every entitled child. After retirement age, para. 3 applies.

### Art. 19 Disability pension

Entitlement

1 Insured persons who are at least 40% disabled as defined by the IV are entitled to a temporary disability pension, provided that they were insured with the Foundation when the incapacity for work, the cause of which led to disability, occurred.

Level of disability according to IV

2 The Foundation accepts the level of disability determined by the IV, unless the IV's decision is obviously untenable or formally incorrect. With regard to the extra-mandatory part of the disability pension, the Board of Trustees may deviate from the decision of the IV, provided that the Foundation's appointed medical examiner supports this adjustment with a medical opinion.

Pension scale

3 If the level of disability is 70% or more, the full disability pension is paid. If the level of disability is at least 60%, the insured person is entitled to a three-quarter pension, a half pension if it is at least 50%, and a quarter pension if it is at least 40%. There is no entitlement to a disability pension for a level of disability of less than 40%.

Start

4 The temporary disability pension is paid after the expiry of the waiting period pursuant to the pension plan, but at the earliest after the termination of the continued salary payment or the expiry of any daily allowance from the loss of earnings insurance. If the disability is notified late to the IV, the Foundation will not become liable to pay benefits before the Federal Invalidity Insurance.

Waiting period

5 The waiting period is specified in the pension plan. The waiting period is calculated by adding together all periods during which the insured person was unable to work, unless they occurred immediately prior to a period during which the insured person was fully incapable of working for longer than 12 months. The insured person is entitled to a disability pension without a new waiting period if they were previously entitled to a disability pension and did not work full-time for longer than 12 months in the intervening period.

Re-training

[6] After expiry of the waiting period, the disability pension for the period of retraining of a disabled person is only insured for the amount needed to ensure that the disability pension plus the daily allowance from the IV equals 100% of the presumed income lost.

End

[7] The disability pension is paid during the period of earning incapacity, at the most, however, until regular retirement age is reached or until death. If the disability pension is reduced or cancelled within the context of Art. 26a BVG, the insured person will remain insured at the same conditions for a period of three years.

Amount

[8] The amount of the disability pension is specified in the pension plan. The minimum BVG benefits are guaranteed at all times (see Art. 37 para. 2).

Reviews

[9] Disability pensioners are obliged to inform the Foundation of any reviews by the IV so that the Foundation can adjust its benefits, if necessary.

Congenital defects

[10] If at the beginning of the insurance with the Foundation a person is at least 20% but less than 40% incapable of working due to a congenital defect or a disability that occurred when they were a minor, they are entitled to disability benefits for these causes of the incapacity for work only if the incapacity for work increased to more than 40% during the period of insurance and the person was insured for at least 40%. In this case, the benefits are restricted to the BVG benefits.

No IV decision

[11] If the IV does not determine a level of disability, the Foundation will carry out its own investigation. If necessary, it can accept the level of disability that was confirmed by the Foundation's appointed medical examiner.

Discontinuation of IV benefits

[12] If IV pensions paid by the Federal Disability Insurance are not exported abroad and the disability pensioner permanently leaves Switzerland, they can withdraw at least 50% of their disability pension under these regulations in lump-sum form from the age of 45.

### Art. 20 Disabled person's child's pension

Entitlement

[1] Recipients of a disability pension are entitled to a disabled person's child's pension for every child who would be eligible to an orphan's pension pursuant to Art. 22 in the event of their death.

Start / end

[2] The disabled person's child's pension is paid from the same date as the disability pension. It expires when the underlying disability pension ceases, but at the latest when the claim pursuant to para. 1 ends.

Amount

[3] The amount of the disabled person's child's pension is specified in the pension plan. In the case of partial disability, the amount of the disabled person's child's pension is calculated in accordance with Art. 17 para. 3.

# F. Benefits in the event of death

## Art. 21 Spouse's pension

Entitlement

1 The spouse or registered partner of a deceased insured person or pension recipient is entitled to a spouse's pension.

Single settlement

2 If the widow or widower remarries before the age of 45, the pension lapses and a single settlement equalling three times the annual pension is paid out.

Start / end

3 The claim to a spouse's pension starts from the first month in which the salary or the pension of the deceased insured person is no longer paid. It expires with the death of the surviving spouse.

Amount

4 The amount of the spouse's pension is specified in the pension plan.

Spouse's pension in the event of lump-sum withdrawal of retirement pension

5 If part of the retirement pension was withdrawn as a lump sum upon reaching retirement age, a corresponding spouse's pension falls due only for the remaining part of the pension.

Lump-sum payment of spouse's pension

6 If an insured person or a recipient of a disability pension dies before retirement age, the spouse's pension can also be drawn in the form of a lump sum, provided that the application for a lump-sum payment is submitted before the first pension payment is due. If the spouse's pension is reduced in accordance with Art. 32, a lump-sum withdrawal is not possible. For a spouse who is 45 or older when the insured person dies, the one-off lump sum equals the actuarial reserve calculated in consideration of the age of the surviving spouse. If the spouse is younger than 45, the actuarial reserve is reduced by 3% for every year or part of a year by which the surviving spouse is younger than 45 at the death of the insured person. However, the minimum lump-sum payment equals at least four annual pensions. Pensions already paid are taken into account in the case of a lump-sum withdrawal. With the withdrawal of the lump sum, all regulatory claims – except for the claim to orphan's pensions – are deemed to have been discharged.

Pension reductions

7 If the surviving spouse is more than ten years younger than the insured person, the spouse's pension is reduced by 5% of the full spouse's pension for every year or part of a year by which the age difference is more than ten years, but by 50% at most.

If the marriage takes place after retirement age, the spouse's pension, which may already have been reduced in accordance with the above provision, is reduced to the following percentage:

| | |
|---|---|
| in the event of marriage during the 66th year | 80% |
| in the event of marriage during the 67th year | 60% |
| in the event of marriage during the 68th year | 40% |
| in the event of marriage during the 69th year | 20% |
| in the event of marriage after the age of 69 | 0% |

The pension is not reduced for a marriage after retirement age if the spouse would have already been entitled to a life partner's pension at the time of the marriage.

If the marriage takes place after the insured person's 65th birthday and the insured person suffered at this time from an illness of which they should have been aware, no spouse's pension will be due if the insured person dies within two years of the marriage.

Minimum benefits

[8] Entitlement to a spouse's pension in accordance with the BVG is guaranteed at all times.

Birth defects

[9] If at the beginning of the insurance with the Foundation a person is at least 20% but less than 40% incapable of working due to a congenital defect or a disability that occurred when they were a minor, they are entitled to survivors' benefits for these causes of the incapacity for work only if the incapacity for work increased to more than 40% during the period of insurance and the person was insured for at least 40%. In this case, the benefits are restricted to the BVG benefits.

### Art. 22 Life partner's pension

Entitlement

[1] Based on the same requirements and reduction provisions as for the spouse's pension, the designated life partner of the insured person (same or opposite sex) is entitled to a survivor's pension equal to the spouse's pension. The life partner is entitled to a survivor's pension equal to the spouse's pension or a one-off settlement if

a. The insured person and the beneficiary were unmarried and there were no legal reasons (Art. 94 et seq. of the Swiss Civil Code, ZGB), except for the fact that they were of the same gender and one of them was not the stepchild of the other, why they should not have married;
b. The partner does not receive any widow's, widower's or partner's pension from a Pillar 2 pension fund;
c. The partner and the deceased insured person demonstrably lived together in a permanent and exclusive relationship and in the same household for at least five years before the death of the insured person or at the time of death lived in the same household in a domestic partnership and were also responsible for the maintenance of one or more joint children who are entitled to an orphan's pension under the regulations.

Conditions

[2] The insured person must notify the management office in writing of the eligible life partner during their lifetime and before the occurrence of an insurance case. If no notification was made, no benefits will fall due. Life partners of married insured persons are not entitled to a life partner's pension. Upon the occurrence of a claim, the management office will establish finally whether the conditions for a life partner's pension have been fulfilled.

Death after retirement age

[3] If a pension recipient dies, the partner will only be entitled to a life partner's pension if the cohabitation relationship was established before retirement age.

End

[4] The life partner's pension ends if the pension recipient marries, enters a new life partnership or dies.

### Art. 23 Pension for divorced spouses

Entitlement

[1] For the mandatory insurance, the divorced spouse is treated on the same footing as the widow or widower, provided that

a. The spouse was awarded a pension pursuant to Art. 124e para. 1 ZGB or Art. 126 para. 1 ZGB in the divorce decree (Art. 124e para. 1 ZGB or Art. 34 para. 2 and 3 PartG for the dissolution of a registered partnership), and
b. The marriage had lasted at least 10 years.

Duration

[2] The claim is valid for as long as the pension would have been due.

Reduction

[3] The survivors' benefits are reduced by the amount that they, together with the survivors' benefits from the AHV, exceed the entitlement granted in the divorce decree. Survivors' benefits from the AHV are taken into account only insofar as they are higher than the claim to a disability pension from the IV or a retirement pension from the AHV.

### Art. 24 Orphan's pension

Entitlement

[1] The children of a deceased insured person or pension recipient are entitled to an orphan's pension if the pension plan makes provision for this, but foster and step-children only if the deceased insured person was responsible for their maintenance.

Start / end

[2] Entitlement starts upon the death of the insured person, but at the earliest upon termination of the continued payment of salary. It expires upon the orphan's death or upon the birthday specified in the pension plan.

Special cases

[3] Orphan's pensions may also be paid after the birthday specified in the pension plan, but at the most, however, until the age of 25:

a. To children who are still in education and do not have a main profession;
b. To disabled children who are disabled upon turning 18, until earning capacity is achieved. The pension to which the disabled child has a claim is calculated on the basis of the child's level of disability (same scale as in Art. 17 para. 3). If the child is permanently disabled, the management office will decide on any further pension payments.

Amount

[4] The amount of the orphan's pension is specified in the pension plan. In the case of full orphans, the pension is doubled.

### Art. 25 Lump-sum death benefit

Entitlement

[1] If an active insured person or a recipient of a disability pension dies before drawing a retirement pension, there is an entitlement to a lump-sum death benefit. The survivors are eligible according to the following ranking, independent of inheritance law:

a. The spouse; if none,
b. Natural persons who were supported to a considerable extent by the insured person at the time of their death or the person with whom the insured person lived in a domestic partnership without interruption during the last five years before their death or who is responsible for supporting one or more joint children; if none,
c. The children, parents and siblings; if none,
d. The other legal heirs, to the exclusion of the community.

Entitlement pursuant to b) only applies if the insured person notified the management office of the beneficiary in writing during their lifetime.

Amount of lump sum payable at death

[2] The lump-sum death benefit equals the savings capital accrued at the time of death for groups a) to c), and for group d) it equals half of the savings capital.

The lump sum payable at death is reduced by the present value of all pensions and settlements that are triggered by the death.

The savings capital held in the special savings accounts «Purchase of maximum benefits», «Purchase to compensate for the effects of early retirement» and «Purchase of AHV bridging pension» is paid out as an additional lump-sum death benefit for all groups of persons.

Declaration

3 The insured person may specify in a written declaration for the attention of the management office which persons within the entitled group are to be beneficiaries and what proportion of the lump-sum death benefit they are entitled to.

Absence of a declaration

4 If the insured person did not submit a written declaration regarding the distribution of the lump-sum death benefit, the benefit will be divided equally between the persons in the eligible beneficiary category, with the exception of group c). For the persons in the group pursuant to para. 1 c), if there is no written declaration, entitlement will be in accordance with the order recorded, i.e. the children are entitled first to the lump-sum death benefit, if there are none, the parents and if there are none, the siblings.

Additional lump sum payable at death

5 The amount of the additional lump-sum death benefit is specified in the pension plan. If an additional lump-sum death benefit is insured under the pension plan and an insured person dies before drawing a retirement or disability pension, eligibility to this additional lump sum is governed by the ranking given in para. 1.

# G. Termination benefits

### Art. 26 Due date of termination benefit

Due date

[1] If the pension relationship is terminated before an insured event has occurred and without any benefits under these regulations falling due, or the pension fund is continued in accordance with, if the insured person leaves the pension fund at the end of the last day for which there is an obligation to pay the salary and a termination benefit becomes due.

Interest on arrears

[2] The termination benefit earns interest at the BVG interest rate from the first day following the insured person's departure from the pension fund. If the Foundation does not transfer the termination benefit within 30 days after receiving the required instructions for the transfer, interest on arrears must be paid from the end of this period (BVG interest rate plus 1%).

Priority of retirement benefits

[3] If the insured person leaves the pension fund within the last five years before retirement age, there is no entitlement to a termination benefit, but the procedure for early retirement is triggered unless the insured person takes on new employment and the termination benefit can be transferred to a new pension scheme or the insured person has evidence of being registered as unemployed.

### Art. 27 Amount of termination benefit

Calculation methods

[1] The termination benefit is calculated in accordance with Art. 15, 17 and 18 FZG. The termination benefit equals the highest amount resulting from the comparison of the following methods of calculation (subject to Art. 43 para. 5).

Savings capital

[2] Savings capital pursuant to Art. 15 FZG:
The claim equals the savings capital accrued on the date of departure plus the savings capital in the special savings accounts.

Minimum amount

[3] Minimum amount pursuant to Art. 17 FZG:
Subject to Art. 43 para. 5, the termination benefit corresponds to the sum of:

a. The benefits brought into the pension fund and any purchases plus interest. The interest rate is the same as the BVG interest rate; and
b. The savings contributions paid by the insured person including interest, plus a premium of 4% per year from the age of 20, up to a maximum of 100 %. The interest rate is the same as the BVG interest rate.

BVG retirement assets

[4] BVG retirement assets pursuant to Art. 18 FZG:
The claim equals the accrued retirement assets as at the date of departure pursuant to the BVG.

Termination benefit in the event of continuation of the pension from age 58

5 If the insured person joins a new pension scheme as part of the continuation of the pension fund, they are entitled to a withdrawal benefit to the extent that it can be used for the purchase of the full regulatory benefits of the new pension scheme. For the remaining retirement assets, the provision is continued, unless more than two thirds of the termination benefit is required for the purchase of the full regulatory benefits. In this case, the termination benefit is paid out to the extent in question, otherwise entitlement to retirement benefits arises (cf. para. 6).

### Art. 28 Use of the termination benefit

New pension fund

1 The termination benefit is transferred to the new employer's pension fund.

Vested benefits account/policy

2 Insured persons who do not join a new pension scheme must notify the management office of the form in which they wish to receive pension protection:

a. By opening a vested benefits account;
b. By setting up a vested benefits policy.

Duty of notification

3 If the insured person does not provide the pension fund with any instructions on the use of their termination benefit, the termination benefit plus interest is transferred to the National Substitute Pension Plan at the earliest six months and at the latest two years after it falls due.

Payment in cash

4 At the request of the departing insured person, the termination benefit can be paid in cash, if:

a. They are leaving Switzerland permanently;
b. They take up self-employment and are therefore no longer subject to the mandatory employee benefits insurance;
c. The termination benefit is less than the insured person's annual contribution.

Payment in cash is not permitted if the insured person leaves Switzerland permanently and moves to Liechtenstein.

Insured persons may not request a cash payment of the accrued BVG retirement assets if they remain subject to mandatory insurance for the risks of retirement, death and disability according to the statutory provisions of one of the member states of the European Union or of Iceland or Norway.

Signature of spouse

5 If the departing insured person is married, a cash payment is only permitted with the written consent of the spouse. The management office is entitled to request certification by a notary or any other verification of the signature.

### Art. 29 Occurrence of an insured event after departure

Extended liability period

1 If the Foundation has to pay survivors' or disability benefits after it has transferred the termination benefit, the termination benefit must be repaid up to the amount of the survivors' or disability benefits to be paid.

Reduction

2 If this repayment is not made, the insured benefits are reduced accordingly.

# H. Divorce and financing of residential property

### Art. 30 Divorce or dissolution of a registered partnership

Principles

1 For a divorce under Swiss law, the competent court determines the claims of the spouses pursuant to Art. 122 to 124e ZGB. In this context, termination benefits, retirement pensions and, after reaching the regulatory retirement age, lifelong disability pensions can be divided between the spouses.

Child's pensions that are current on the date on which divorce proceedings are filed are not affected.

The Swiss courts have exclusive jurisdiction over the division of pension assets. Foreign judgements regarding the division of pension assets are not recognised in Switzerland.

Utilisation

2 The amount and use of a claim to termination benefits to be transferred or a pension to be divided are governed by the legally valid court decree.

Division of termination benefit

3 If part of the termination benefit is transferred following the divorce, the retirement assets are reduced by the relevant amount as from the date on which the divorce decree takes legal effect. For partially disabled persons, the amount to be transferred is debited to the active insurance component as far as possible.

Reduction of retirement assets and benefits

4 The retirement assets are reduced such that the ratio between the mandatory and extra-mandatory retirement assets remains the same.

The Foundation reduces prospective claims to retirement benefits and the insured benefits for death and disability insofar as they are dependent on the amount of the retirement assets (potential future benefits).

The Foundation reduces current disability pensions insofar as they are dependent on the amount of the retirement assets.

The Foundation reduces the current and prospective mandatory insurance benefits (lifelong BVG disability pension and dependent benefits).

Division of current pension benefits

5 If part of a current pension benefit is transferred to the insured's divorced spouse following the divorce, the insured person's current pension is reduced by the transferred amount. The pension is divided from the date on which the divorce takes legal effect.

The current pension paid to the insured person is reduced such that the ratio between the mandatory and extra-mandatory benefits remains the same. The Foundation also reduces prospective claims to future benefits that depend on the amount of the pension.

Divorced spouse's pension

[6] The pension share awarded to the insured person's divorced spouse is converted by the Foundation into a lifelong divorce pension for the eligible divorced spouse (divorced spouse's pension) in accordance with the provisions of Art. 19h FZV when the divorce decree takes legal effect. This new divorced spouse's pension does not establish any prospective entitlement to future survivors' or disability benefits. The proportion of mandatory to extra-mandatory benefits remains the same.

A lump-sum settlement cannot be made to the spouse entitled to the divorced spouse's pension.

Transfer of a divorced spouse's pension

[7] The divorced spouse's pension is transferred to the pension fund of the recipient of the divorced spouse's pension pursuant to the provisions of Art. 19j FZV. Instead of the divorced spouse' pension, the Foundation transfers a once-off lump-sum payment to the divorced spouse's pension fund, insofar as the recipient of the divorced spouse's pension agrees to a lump-sum payment. The divorced spouse's pensions are converted into a lump sum in accordance with the basis of calculation defined in the regulations on the formation of provisions and reserves that are valid at the time of the transfer. The lump-sum payment settles all the claims of the recipient of the divorced spouse's pension against the Foundation.

If the Foundation does not have the information it needs to make the transfer, it will transfer the divorced spouse's pension to the National Substitute Pension Plan after six months at the earliest, but not later than after two years.

Repurchase

[8] The active insured person can repurchase all or part of the termination benefit that was transferred. The provisions on joining the Foundation apply mutatis mutandis (see Art. 41). Transfers made from the disability component cannot be repurchased.

Such a purchase is credited to the mandatory and extra-mandatory retirement assets in the same ratio as the outgoing payment. Prospective benefits that were reduced previously will be increased again.

Insured person's duty of information vis-à-vis other pension funds

[9] The eligible insured person must inform the pension fund of the liable spouse of any changes in the payment address (e.g. upon departure, cash payment at retirement, transfer to a vested benefits institution because purchases are not possible, etc.).

Retirement during divorce proceedings

[10] If an insured retires during current divorce proceedings, the Foundation will reduce the pension if a termination benefit has to be transferred. In compensation for the temporarily excessive pension payments pursuant to Art. 19g FZV, the Foundation will reduce the termination benefit to be transferred and will further reduce the pension.

## Art. 31 Advance withdrawal or pledge to finance residential property

Advance withdrawal or pledge

[1] An active insured person can apply for an advance withdrawal (minimum CHF 20,000) to finance owner-occupied residential property (purchase and construction of residential property, co-ownership investment in residential property or repayment of a mortgage) every five years, up to three years before they reach the retirement age pursuant to the pension plan. Owner-occupied means use by the insured person at their domicile or usual place of residence. The insured can also pledge this amount or their claim to pension benefits for the same purpose. Advance withdrawal is excluded in the event of continuation of provision in the sense of more than two years.

Amount

[2] The insured person may withdraw or pledge an amount equal to their termination benefit up until their 50th birthday. If the insured person is older than 50, they may claim, at most, the termination benefit to which they were entitled at the age of 50, or half of the termination benefit at the time of the withdrawal.

Duty of disclosure

[3] The insured person may submit a written request for information on the amount available to finance residential property and the reduction in benefits associated with such a withdrawal. The management office advises the insured person on the options for closing the resulting gap in pension cover and the tax implications.

Documents

[4] If the insured person makes use of the advance withdrawal or pledge, they must submit all the documents that are required to legally confirm the purchase or construction of the residential property, the co-ownership investment in residential property or the repayment of mortgage loans. Married insured persons and insured persons who live in a registered partnership must also obtain the written consent and signature of the spouse or registered partner. The management office is entitled to request official certification by a notary or any other verification of the signature.

Every subsequent lien on the property requires the written consent of the spouse or the registered partner. The signature of the spouse or the registered partner on the consent form must be officially certified. If the consent cannot be obtained or if it is refused for no good reason, the matter can be referred to the civil court.

If the insured person has a life partner as defined in Art. 20, the advance withdrawal, pledge or establishment of a lien on property is only valid if the life partner confirms by their signature that they have been informed of the process. The management office is entitled to request official certification by a notary or any other verification of the signature.

Voluntary repayment

[5] An active insured person may arises up to the occurrence of an insured event or the cash payment (minimum amount CHF 10,000).

Repayment obligationPriorities

[6] If the residential property is sold or if a third party is granted rights to the property that are equivalent to a sale of the property, the advance withdrawal must be repaid by the insured person. The repayment obligation lapses at the latest three years before the claim of the insured person to retirement benefits arises.

Priorities

[7] If the Foundation's liquidity is at risk due to advance withdrawals, the Foundation may postpone the processing of applications. In such a case, the administrative office determines the order of priority for dealing with the applications.

Funding deficiency

[8] In the case of a funding deficiency, the Foundation may postpone the payment of advance withdrawals, reduce the amount or refuse it altogether if the advance withdrawal will be used to repay a mortgage. It will inform the insured person of the duration and scope of the measure.

Fees

[9] The Foundation may charge the insured person a fee for the administrative expenses involved in processing the application for advance withdrawal and/or pledge if these expenses exceed the standard amount. These costs must be disclosed upon request.

Impact

[10] An advance withdrawal or pledge will result in a reduction in the savings capital and the savings capital in the special savings accounts and sometimes also in a reduction of the risk benefits (e.g. the spouse's pension). At the insured person's request, the management office can arrange additional insurance to cover the resulting benefit gaps.

Reduction in savings capital

[11] The savings capital, the savings capital in the special savings account and the BVG retirement assets are reduced correspondingly.

# I. Further provisions governing benefits

### Art. 32 Coordination of pension benefits

Coordination and advance performance obligation

[1] If benefits under these General Framework Regulations overlap with similar benefits from other social insurance schemes, Art. 66 para. 2 ATSG applies.

Art. 70 and 71 ATSG apply to the advance performance obligation. If there is an advance performance obligation, the benefits payable by the Foundation are limited to the BVG benefits.

Benefit reductions

[2] The benefits pursuant to these General Framework Regulations are reduced if, together with other creditable income, they exceed 90% of the last annual salary before the occurrence of the insured event. In the context of the BVG minimum benefits, the threshold is 90% of the presumed income lost. Creditable income includes benefits from:

a. AHV/IV;
b. Accident insurance;
c. Military insurance;
d. Swiss and foreign social security schemes;
e. Casualty insurance (health or accident insurance) for which the employer or in its place a foundation paid at least 50% of the premiums;
f. Other pension schemes; and
g. Vested benefits institutions (vested benefits policies and accounts);
h. For the liable spouse, the pension share awarded to the divorced spouse (Art. 24a para. 6 BVV 2).

For disabled persons, any income or replacement income that the insured still earns or can be reasonably expected to earn can also be taken into account. The disability income pursuant to the IV decision is essentially used to determine this income. Any lump-sum benefits are actuarially converted into equivalent pensions. In the case of the continued insurance of the pensionable annual salary after the age of 58 pursuant to Art. 9 para. 8, the annual salary earned prior to the salary reduction will be used to calculate the excess compensation.

Benefit reductions at retirement

[3] After reaching AHV retirement age, the benefits are only reduced if they are paid together with benefits from the compulsory accident insurance, military insurance or a comparable foreign insurance scheme. The Foundation continues to pay the same benefits as before retirement age. It does not compensate the reduction of benefits by the disability insurance pursuant to Art. 20 para. 2ter and 2quater UVG or the reduction of benefits by the military insurance pursuant to Art. 47 para. 1 MVG. The pension share allocated to the divorced spouse during a divorce continues to be credited in accordance with Art. 24a para. 6 BVV2.

Provisional continued insurance

[4] During the provisional continued insurance and maintenance of the benefit claim pursuant to Art. 26a BVG, the Foundation reduces the disability pension in accordance with the reduced level of disability of the insured person, but only to the extent that the pension reduction is balanced by additional income earned by the insured person.

Calculation

[5] Children's and orphan's pensions from the AHV/IV are credited in full. Care allowances for persons unable to look after themselves and allowances for physical or mental impairment, satisfaction payments and similar benefits are not included.

Coordination with accident insurance

[6] If the accident insurance does not pay the full disability or death benefits due to the fact that the insured event is not exclusively the result of a specific cause covered by the insurer, the benefits are granted pro rata pursuant to these regulations. The above provisions apply mutatis mutandis for insured events pursuant to the MVG.

Relevant date

[7] The date of death or the date on which the claim to disability benefits arises is the relevant date for the calculation of the pension benefits. Subsequent pension increases by social security insurers do not result in the reduction of a current pension. However, if the pension from a social security insurer is reduced or terminated, the benefits pursuant to these regulations are re-calculated.

Subrogation

[8] Pursuant to these regulations, the Foundation assumes, as at the date the insured event occurred, the claims of the insured person, their survivors or other beneficiaries up to the amount of the BVG benefits vis-à-vis third parties liable for the insured event. The details are set out in Art. 27 BVV 2.

Duty of assignment

[9] The beneficiaries of disability and survivors' benefits must assign their claims vis-à-vis liable third parties to the Foundation up to the amount of the obligation to pay benefits. To this extent, the Foundation has a right of recourse against the liable third parties.

Misconduct

[10] If other insurance carriers reduce or refuse their benefits due to incorrect behaviour, the calculation of the excess compensation will be based on the full benefits.

Additional reductions

[11] The Foundation may reduce its benefits to the same degree if the AHV/IV reduces, terminates or declines a benefit due to the fact that the beneficiaries caused the death or disability by gross negligence or object to a rehabilitation measure ordered by the IV. If the accident or military insurance reduces its benefits, the Foundation can also reduce its extra-mandatory benefits.

Pension fund liable for payment of benefits

[12] If at the time the entitlement to benefits occurs the insured person is not a member of the pension scheme obliged to pay benefits, the pension scheme in which the person was last insured has the advance performance obligation. If the pension fund liable for the payment of benefits is identified at a later date, the pension fund obliged to make advance payments can take recourse to this pension fund. In the case of an advance performance obligation, the benefits of the pension fund are limited to the minimum benefits pursuant to the BVG.

Claims for repayment

[13] Wrongfully received benefits may be reclaimed. Claims for repayment expire one year after the authorised pension scheme 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.

### Art. 33 Assignment, pledge and offsetting

Assignment / pledging

[1] Prior to maturity, the claim to benefits may neither be pledged nor transferred. Art. 31 is reserved.

Offset

[2] The benefit claim may be offset against claims assigned to the Foundation by the employer only if these claims refer to regulatory contributions that were not deducted from the insured person's salary.

### Art. 34 Adjustment of current pensions in line with inflation

Pension adjustment

1 The Board of Trustees annually reviews the adjustment of current pensions to inflation, taking into account the financial situation of the Foundation.

Mandatory pensions

2 The BVG disability and survivors' pensions that have been paid out for more than three years are adjusted in line with price trends until the beneficiary reaches the BVG retirement age as stipulated by the Federal Council. The Board of Trustees determines any adjustments of BVG benefits beyond the BVG retirement age, taking into account the financial resources available. In all cases, the adjustment to inflation is considered to have been discharged if and for as long as the benefits pursuant to these regulations exceed the BVG benefits.

Annual accounts

3 The Foundation comments on the decisions pursuant to para. 1 in its annual accounts or in the annual report.

### Art. 35 Joint provisions

Payment frequency

1 Pensions are paid in monthly instalments.

Termination Pension entitlement

2 The full pension is paid for the month in which entitlement to the pension ends.

One-off payment

3 A pension is replaced by an equivalent lump-sum payment if the retirement or disability pension amounts to less than 10%, the spouse's or life partner's pension to less than 6% and the child's pension to less than 2% of the minimum AHV retirement pension.

Period of limitation

4 The entitlement to vested pension rights does not expire if the insured person had not left the Foundation at the time of the insured event. A statute of limitations of five years applies to claims pertaining to regular contributions and benefits, and of ten years to other claims. Art. 129 to 142 of the Code of Obligations (OR) apply.

Place of performance

5 The Foundation performs its obligations (payment of pension benefits) at the Swiss place of domicile of the insured person, in the absence of which by transfer to the account of a bank in Switzerland or abroad.

Registered partnership

6 A registered partnership is deemed the same as a marriage pursuant to the Federal Act on the Registered Partnerships between Persons of the Same Sex (PartG). All the provisions of these regulations relating to spouses therefore apply equally for insured persons living in a registered partnership.

The regulatory provisions on divorce apply mutatis mutandis to the dissolution of a registered partnership by a court.

### Art. 36 Gaps in the regulations, disputes

Version

1 The German version of the regulations is binding in all matters of interpretation.

Omissions

2 The Board of Trustees will decide on all individual cases in accordance with the purpose of the Foundation and the law, insofar as no provisions in these regulations apply to the case.

Disputes, place of jurisdiction

3 Disputes arising from the interpretation and application of these regulations shall be settled by the competent court. The place of jurisdiction is the Swiss registered office or place of residence of the defendant or the location of the company where the insured person was employed.

### Art. 37 Precedence of BVG, guarantee

Precedence of BVG

[1] The provisions of the BVG take precedence over these regulations. However, if the Foundation has assumed in good faith that one of its regulatory provisions is in accordance with the law, the legal provisions may not be applied retroactively.

Benefits guarantee

[2] The Foundation guarantees the minimum BVG benefits for every pension claim.

### Art. 38 Partial liquidation, termination of an affiliation contract

Reporting obligation

[1] An affiliated employer or the pension fund commission that discontinues part or all of its business activities has to inform the Foundation of this development without delay.

Regulations governing a partial liquidation

[2] The conditions and procedure for the resulting partial liquidation are governed by separate regulations on partial liquidation.

Portfolio of pensioners

[3] Pending and current retirement, disability and survivors' pensions will be transferred to the new pension fund if the affiliation contract is terminated.

# J. Organisation, administration and control

### Art. 39 Governing and executive bodies of the Foundation

Board of Trustees

1 The Board of Trustees is the highest governing body of the Foundation. It consists of an equal number of employee and employer representatives. External members may also sit on the Board of Trustees. It is organised in accordance with the valid rules of organisation.

Fund Commission

2 Thepension fund are supported by their own pension fund commission consisting of an equal number of employer and employee representatives of the affiliated company.

Investment committee

3 The Board of Trustees appoints an investment committee to oversee and monitor the management of the assets.

Auditors

4 The Board of Trustees appoints an auditor to carry out the annual audit of the pension fund's management, accounting and investments. The auditor submits a written report on the results of its audit.

Pension actuary

5 The Board of Trustees appoints a recognised pension actuary to assess the Foundation periodically, but at least once every three years.

Rules of organisation

6 The Board of Trustees adopts «Rules of organisation of the Collective Foundation» describing the activities and powers of the persons and governing bodies responsible for advising and managing the Foundation.

### Art. 40 Management office, financial year

Management office

1 Current business is handled by the management office under the supervision of the Board of Trustees.

Financial year

2 The annual accounts are closed on 31 December every year. Accounting is carried out in compliance with the legal provisions.

### Art. 41 Duty of notification and information

Duty of information

1 Insured persons and their survivors are obliged to inform the Foundation truthfully and without delay of all circumstances and any changes relevant to their insurance cover and the calculation of their benefits and must submit the documents and proof required at their own cost.

Claim for repayment

2 The Board of Trustees has the right to terminate the extra-mandatory benefits or to reclaim benefits wrongly received, plus interest, if an insured person or a survivor has not fulfilled their duty of notification or if the information was not truthful.

Duty of information

3 The Foundation informs the insured persons annually about their entitlement to benefits, their pensionable annual salary, the contributions, the balance of the savings account and the special savings accounts, the organisation and financing of the Foundation and the members of the Board of Trustees.

Information upon request

[4] If the insured persons so request, they must be provided with the annual accounts and the annual report, as well as with information on the return on capital, the actuarial risk experience, the administrative costs, the calculation of the actuarial reserve, the creation of reserves and the funding ratio. The insured persons have the right at any time to submit verbal or written comments, suggestions and proposals to the Board of Trustees in relation to the Foundation.

### Art. 42 Duty of confidentiality

Confidentiality obligations

[1] The members of the Board of Trustees, the pension fund commission and the persons entrusted with the management and control must maintain the utmost confidentiality regarding any information they acquire in the course of carrying out their duties for the Foundation. In particular, this duty extends to the personal, contractual and financial situation of the insured persons and their dependants, as well as their employer.

End of office

[2] The duty of confidentiality continues after the resignation from office or the termination of activities.

### Art. 43 Financial equilibrium, financial restructuring measures

Actuarial audit

[1] If the actuarial audit reveals a funding deficiency and the situation is not expected to improve in the immediate future, the financial equilibrium of the Foundation, the Flex Collective solution, the Flex Individual solution and the pension fund must be restored via appropriate measures (reductions in benefits or increase in contributions).

Funding deficiency

[2] A temporary funding deficiency is permissible if the Foundation, the pension funds in the "Flex Collective" area, the individual pension funds in the "Flex Individual" area or the pensioners' pension fund take measures to remedy the deficiency within a reasonable period of time.

Duty of disclosure of the Board of Trustees

[3] In the event of a funding deficiency of the Foundation, the Flex Collective solution or the pensioners' pension fund, the Board of Trustees must notify the supervisory authority, the insured persons, the pension recipients and the employers and inform them of the measures taken.

Pension fund commission's duty of information

[4] If a Flex Individual solution reports a funding deficiency, the pension fund commission in cooperation with the Board of Trustees has to inform the supervisory authority, the insured persons, the pension recipients and the employer and provide them with details of the corrective measures.

Measures

[5] The Foundation pension funds in the "Flex Collective" area or the individual pension funds in the "Flex Individual" area must remedy the fund deficiency them-selves, whereby the measures must take into account the degree of deficiency and the risk profile of the Foundation, the "Flex Collective solution" area or the pension fund in the "Flex Individual" area. If the pensioners' pension fund reports a funding deficiency, the Board of Trustees has to implement measures for all pension funds. The following measures are available, within the limits permitted by law:

a. Financial restructuring contributions from employees and employers. In this case, the employer's contribution must equal at least the total contributions of the employees;
b. Financial restructuring contributions from pension recipients;
c. Undercutting the BVG interest rate;
d. Financial restructuring contributions by the employer or the formation of an employer contribution reserve with a waiver of usage;
e. Reduction in future benefits (prospective entitlement).

The financial restructuring contributions of the employee are not taken into account when calculating the minimum amount pursuant to Art. 17 FZG. For the duration of a funding deficiency, the interest rate used for calculating the termination benefit pursuant to Art. 25 para. 3 (minimum amount) can be reduced to the interest rate that applies to the savings capital.

# K. Transitional and final provisions

### Art. 44 Entry into force, amendments

Entry into force

[1] These Framework Regulations enter into force on 1 January 2021. They replace the version of 1 January 2019.

Amendments to the Framework Regulations

[2] The Board of Trustees may amend the General Framework Regulations at any time, taking into account the legal provisions and the purpose of the Foundation. The benefits accrued by the insured persons and the pension recipients are guaranteed at all times. The Board of Trustees must present these General Framework Regulations and any amendments to the relevant supervisory authority for information purposes.

Pension plan changes

[3] The pension fund commission can at any time amend, supplement or cancel the pension plan within the context of the General Framework Regulations, subject to the consent of the Board of Trustees, the provisions of the deed of foundation and the law and provided that all vested rights are guaranteed.

### Art. 45 Transitional provisions

Current pensions

[1] The pensions that are current on 31 December 2018 will continue to be paid unchanged. The amount of future benefits (spouse’s future pension, etc.), relevant requirements for entitlement to these and provisions for reductions due to over-insurance or for other reasons are, however, governed by the current regulations.

Zurich, 22 October 2020

Swisscanto Flex Collective Foundation
of the Cantonal Banks

The Board of Trustees

# L. Abbreviations and terminology

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|---|---|
| AHVG | Federal Act of 20 December 1946 on Old Age and Survivors' Insurance, including implementing ordinances. |
| Affiliation contract | Contract between the Foundation and an employer on the basis of which the employer delegates the provision of employee benefits insurance to the Foundation. |
| Incapacity for work | Incapacity for work is defined as the full or partial inability to perform reasonable work in the previous profession or field of duties due to impaired physical, mental or psychological health. If this persists for a long period of time, a reasonable activity in another profession or field of duties is also considered (Art. 6 ATSG). |
| ATSG | Federal Act of 6 October 2000 on General Aspects of Social Security Law. |
| BVG | Federal Act of 25 June 1982 on Occupational Old Age, Survivors' and Invalidity Pension Provision, including implementing ordinances. |
| BVG interest rate | Minimum interest rate for BVG retirement assets. |
| BVV 2 | Ordinance of 18 April 1984 on Occupational Old Age, Survivors' and Invalidity Pension Provision. |
| Earning incapacity | Earning incapacity is defined as the continuing full or partial loss of the ability to take up employment in the relevant job market due to impaired physical, mental or psychological health in spite of reasonable treatment and rehabilitation (Art. 7 ATSG). |
| FZG | Federal Act of 17 December 1993 on the Vesting of Occupational Old Age, Survivors' and Invalidity Benefits. |
| FZV | Ordinance of 3 October 1994 on the Vesting of Occupational Old Age, Survivors' and Invalidity Benefits. |
| "Flex Collective" | A product of the Foundation. The main feature of this product is the collective investment of the pension assets. Pension funds in the "Flex Collective" area receive a common balance sheet and operating statement and a common, uniform coverage ratio is uniformly for this product. |
| "Flex Individual" | A product of Swisscanto Flex Collective Foundation. The main feature of the product is the individual investment of the pension assets in different investment pools. Every affiliated pension fund has its own balance sheet and operating statement and reports its own funding ratio. |
| Disability | Disability is defined as full or partial earning incapacity that is likely to be permanent or to persist in the longer term (Art. 8 para. 1 ATSG). |
| IV | Federal Invalidity Insurance |

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|---|---|
| Illness | Illness is defined as any impairment to physical, mental or psychological health that is not due to an accident and that requires medical examination or treatment or results in an incapacity for work. Those illnesses that exist from birth are defined as congenital defects (Art. 3 ATSG). |
| MVG | Federal Act of 20 September 1949 on Military Insurance, including implementing ordinances. |
| Projected interest rate | Interest rate used for extrapolating the insured person's savings capital until normal retirement age. The projected interest rate is not guaranteed. |
| Technical interest rate | The technical interest rate has a long-term orientation and is relevant for actuarial calculations such as the calculation of the conversion rate and the present value of pensions (discount rate for future pension payments). |
| Accident | Accident is defined as an unexpected and involuntary injury to the human body resulting from an extraordinary external cause that is harmful to physical, mental and psychological health or leads to death (Art. 4 ATSG). |
| Funding deficiency | There is a funding deficiency if, on the balance sheet date, the required actuarial pension capital (savings capital and actuarial reserve, including any reinforcements of actuarial reserves) as calculated by the pension actuary in accordance with generally accepted principles is not covered by the available pension assets (assets at market value less commercial liabilities). |
| UVG | Federal Act of 20 March 1981 on Accident Insurance, including implementing ordinances. |
| Insured persons | All male and female employees who have been enrolled with the Foundation and re-insured former employees. |
| Interest on arrears | Interest rate pursuant to Art. 7 FZV. |
| Pension fund commission | Commission of the pension fund consisting of an equal number of employer and employee representatives (like the Board of Trustees). |
| Pension plan | Supplementary provisions to the framework regulations applying specifically to an individual pension fund. The pension plan defines the amounts of the contributions and benefits, salary terms, retirement age, purchase options, etc. |
| Pension fund | Unit that is set up by the Foundation for each affiliated employer. |
| WEF | Federal Act of 17 December 1993 on the Promotion of Home Ownership using Occupational Pension Benefits. |
| WEFV | Ordinance 3 October 1994 on the Promotion of Home Ownership using Occupational Pension Benefits. |