

Personalvorsorge Gate Gourmet (PGG)

To the
insured members and pension recipients of the
Pension Scheme Gate Gourmet

Zurich, January 2013

Personalvorsorge Gate Gourmet
Prévoyance Professionnelle Gate Gourmet
Pension Scheme Gate Gourmet

c/o PFS Pension Fund Services AG
P.O. Box
CH-8058 Zurich

benno.halter@pfs.ch
Tel. +41 43 210 18 86
www.pgg.pfs-service.ch

Information notice no. 22 Pension Scheme Gate Gourmet – PGG

Dear Sir/Madam

At its meeting on 13 December 2012, the Board of Trustees reviewed the investment performance and decided on the interest to be credited to members' accounts as well as on pension adjustments. Due to the positive year-to-date performance of 6.8% as per 30 November 2012 members' accounts were credited with a 1.75% interest rate, hence above the legal minimum. The underfunding of 2011 was remedied with an estimated funding level of 104.5% as per 30 November 2012.

Pensions are maintained at their current levels. The overall funding level and the fact that the necessary reserves to cover "fluctuations in asset values" are not fully funded do not justify a raise in pensions this year. Our investment strategy bears market risks and calls for such reserves to be built.

Furthermore the following regulatory changes were approved at the board meeting on 30 August 2012:

Art. 13.5. Child's pensions for children of old-age pension recipients

Any recipient of a PGG old-age pension shall also be entitled to a child's pension for children of old-age pension recipients for any eligible children, in accordance with the provisions regarding orphans' pension. The amount of a child's pension for children of old-age pension recipients shall amount to 10% of the old-age pension for each eligible child, up to a maximum 20% for all eligible children in total.

This change affects all new child's pensions starting from 1 January 2013 onwards and those being resumed after a break. Please note, there is no change to the entitlement to a child's pension but to its level only.

Art. 6.3. ER account

A working insuree may open an additional savings account (ER account) for early retirement purposes in which to accrue purchases of benefits. The rate of interest paid on this account is determined by the Board of Trustees.

The insuree's purchases may be credited to the ER account only if their savings capital has reached the maximum amount stipulated in Table 1 of Appendix II. This is subject to the purchase restriction as defined in Article 79b of the Swiss Federal Law on the Occupational Old Age, Survivors' and Disability Plan (BVG). Table 2 in Appendix II shows the maximum amount that may be held in the ER account as a percentage of insured salary at a given age and at the age of intended early retirement.

Any advance withdrawal made following divorce or for the purchase of residential property will be taken primarily from the ER account and subsequently from the insuree's savings capital. Any reimbursement will be allocated primarily to the insuree's savings capital.

The balance of the ER account will become payable upon retirement, full disability, death or departure from the PGG. The amount in question will be paid out in addition to the other benefits payable under these Regulations.

The amount held in the ER account will be paid out as follows:

- *In the case of retirement: to the insuree either in the form of an increase in pension or in the form of a lump sum*
- *In the case of full disability: to the insuree in the form of a lump sum*
- *In the event of death: to the beneficiaries as provided for in Article 16 in the form of a lump sum*
- *In the case of entitlement to vested benefits: in the favour of the insuree as provided for in Article 18*

If the insuree has made purchases for the purpose of early retirement and has not actually taken it, the ER account reverts to the PGG if the benefit targeted stipulated by the regulations is exceeded by more than 5%. Lump-sum benefits are converted into pensions of equal value according to actuarial principles.

As of 1 January 2013 this new rule is included in the regulations to improve financing an early retirement. In case the original savings capital not only reaches but exceeds the maximum amounts according to table 1, this exceeding amount has to be considered in calculating the maximum payment into the ER account.

The revised regulations will be available on www.pgg.pfs-service.ch at end of January.

Yours sincerely

On behalf of the Board of Trustees



Tommy Foehn
Chairman



Benno Halter
Managing Director