Gate Gourmet Switzerland
Pension Scheme (PGG)

Pension Scheme Regulations

valid from 01/01/2024

This document is a translation of the original German text. In all matters of interpretation, the original German shall prevail.

Unless expressly indicated otherwise, the use of pronouns and adjectives to refer to persons or functions in these Regulations refers to both men and women even if only one grammatical form is used.

CONTENTS

I. GENERAL PROVISIONS

1. Purpose

1.1. The designated purpose of Personalvorsorge Gate Gourmet Switzerland (Gate Gourmet Switzerland Pension Scheme) (referred to below as the 'Foundation') is to protect the employees of the sponsoring company and of companies that are closely affiliated with it either commercially or financially (collectively referred to herein as 'employer') against the financial consequences of a loss of earnings due to old age, death or disability, as provided for under these Regulations. Consistent with its purpose, the Foundation guarantees the statutory minimum benefits prescribed by the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG).

1.2. The Foundation may operate other additional provident schemes extending beyond the statutory minimum.

1.3. The Foundation is listed in the register of occupational pension schemes of the Canton of Zurich.

2. Scope of the Regulations

2.1. These Regulations govern the organisation and management of the Foundation, the rights and obligations of employees in respect of the Foundation, and the relations between employees, the employer and the Foundation.

2.2. The appendices form an integral part of these Regulations and take precedence over the Regulations where there are inconsistencies.

2.3. The Foundation provides its benefits on a defined-contribution basis (savings plan providing for supplementary risk insurance) and, in part, on a defined-benefit basis (risk insurance).

3. Age

3.1. For the purposes of admission, the amount of contributions and accrued retirement savings, an insured's age is calculated by subtracting their year of birth from the current calendar year.

4. Regulatory reference age and minimum age applicable to taking early retirement

4.1. The regulatory reference age and minimum age for taking early retirement are defined in the Appendix.

5. Foundation's obligation to insure

5.1. All employees who are 17 years of age on 1 January who receive a pensionable AHV annual salary from the company in excess of 6/8 of the maximum AHV retirement pension will be admitted to the Foundation (AHV = Federal Retirement, Survivors' and Disability Insurance Scheme).

5.2. Employees who have been admitted to the Foundation are referred to below as 'insureds'.

5.3. If an insured is entitled to a pension from the Foundation, they are referred to below as a pensioner. Insureds with a partial pension (e.g. partial retirement or partial disability) are referred to as insureds for the active part and pensioners for the partial pension.

6. Provisions for employees who receive an hourly wage

6.1. Membership

- General principles

  Every new employee who enters or switches into an employment relationship on an hourly wage is insured. A review is carried out at regular intervals to determine whether an employee still meets the requirements for membership in application of the Pension Scheme Regulations.

  The entire calendar month is taken into account each month. For employees who join after the first of the month, the month of admission only counts as the first month of employment if the date the employee joins prior to the 16th calendar day of the month they join. Otherwise, the month the employee joins is not counted.

- Review

  The review is carried out for the first time as of 1 January of the following year for employees who join between April and September. The review of entries for the months of October to March will be carried out for the first time on 1 July. The effective salary is extrapolated to one year. If the annual salary calculated in this way is lower than the statutory BVG minimum salary valid in the current calendar year, the withdrawal from the Foundation shall take place on 31 December or 30 June. Thereafter, the recurring review of membership takes place at half-yearly intervals as of 1 January and 1 July of a calendar year on the basis of the effectively achieved salary of the past 12 months, extrapolated at most to one year.

  If the annual salary calculated in this way is lower than the statutory BVG minimum salary valid in the current calendar year, the withdrawal from the Foundation shall take place on 31 December or 30 June.

  If the employee leaves the Foundation, another review is carried out after six months based on the actual salary earned over the prior 12 months. If the salary extrapolated to a full year is higher than the statutory BVG minimum salary, the employee is admitted to the Foundation as of 1 January or 1 July.

6.2. Pensionable salary 1 and 2

The annual salary actually earned is calculated on the basis of the hourly rate and the vacation and holiday share multiplied by the number of hours worked. The annual salary actually earned, less the coordination deduction is insured.

The annual salary actually earned in the previous 12 months, less the coordination deduction, applies for the calculation of risk benefits in the event of death or disability as well as for the purchase of pension benefits. To calculate the expected benefits (extrapolation in the benefit statement), the BVG minimum salary is used at the time of inclusion and, in subsequent years, the annual salary earned in the previous year is used.

6.3. Contributions

Contributions are based on the salary actually earned per month, extrapolated to the year. The reporting of wages for the calculation of contributions takes place in the following month, which means that the effective wage is not taken into account during the month of termination.

7. Exceptions to the Foundation's obligation to insure

7.1. The following will not be admitted to the Foundation:

- Employees who have reached or passed the reference age;
- Employees with an employment contract limited to a maximum of three months. If the term of employment is extended beyond three months, admission to the pension scheme will become effective on the date on which the extension is agreed (where there are several consecutive periods of employment with the same employer or assignments for the same labour leasing agency lasting more than three months in total and without a break of more than three months: In this case, the employee is insured from the beginning of the fourth working month in total; however, if it is agreed before work commences that the total duration of the employment or assignment period will exceed three months, the employee will be insured from the commencement of employment.);
- Employees who work part-time for an affiliated employer and who are already enrolled in a compulsory insurance plan in respect of their principal employment, or are self-employed in their primary occupation;
- Employees who are at least 70% disabled as defined by the Federal Disability Insurance Scheme (IV) and employees who continue to be are temporarily insured in another scheme according to Art. 26a BVG;
- Employees who do not or are unlikely to work in Switzerland on a permanent basis and who enjoy sufficient coverage abroad, provided that they apply for exemption from inclusion in the Foundation.

8. Inception of insurance

8.1. Insurance cover begins on the first day of employment or the first day on which the employee's pay entitlement commences, however, when the employee sets off for work at the latest.

8.2. Any vested benefits of the insured's previous employer must be transferred in full to the Foundation on joining the insurance scheme. Vested benefits that are not contributed result in a corresponding reduction in benefits.

8.3. Any distribution of the vested benefits among separately maintained retirement savings accounts is set out in the Appendix.

8.4. Under Art. 60a to 60d Ordinance Pertaining to the Federal Occupational Retirement, Survivors' and Disability Pension Plans Act ('BVV2') employees have the right to purchase full-plan benefits, either on joining the insurance scheme or subsequently. The purchasable total in respect of full-plan benefits under the Regulations is set out in the Appendix and may be paid by both the employer and the insured.

8.5. If advance withdrawals have been made to finance home ownership, any optional purchases may only be made once the advance withdrawals have been repaid.

8.6. If purchases of benefits have been made, no benefits may be withdrawn from the pension scheme as a lump sum during the following three years.

8.7. In the event of an increase in annual salary due to a change in the level of employment, the pensionable salary will be increased accordingly. The provisions governing admission apply accordingly.

9. Health restrictions

9.1. Upon the admission of new employees or in the event of an increase in benefits, the Foundation may require a medical examination in advance as a condition of granting insurance cover. The insured must provide truthful answers to any questions asked by the Foundation and any reinsurance company (life insurance company) and undergo any medical examination that may be required.

Unless the Foundation has provided written confirmation of membership, any benefits payable by the Foundation will be not higher than the BVG statutory minimum. Any additional benefits disbursed by the Foundation as the result of an increase in benefits are not insurable unless the Foundation has issued written confirmation.

The Foundation may, to the extent permitted by law, exclude non-compulsory benefits in excess of the BVG minimum in relation to specific medical conditions, based on information regarding any pre-existing conditions of the insured. The insurance cover acquired with the contributed vested benefits may not be reduced by a new health exclusion. An exclusion for health reasons may not last more than five years and the time accrued for an existing exclusion at another pension scheme may be counted towards the exclusion, provided the exclusion has been issued for the same condition. Also where exclusions are limited in time, non-compulsory benefits will not be provided prior to the end of insurance cover if, at any time during the exclusion period, the underlying condition to which the exclusion applies causes death or an inability to work which gives rise to death or disability. The same shall apply accordingly to increases in benefits.

Any such exclusions will be notified to the insured by registered letter within 60 days of receipt of all the documents that are required by the Foundation and, where applicable, the reinsurer, for the purpose of assessing eligibility for membership and making the relevant determination.

9.2. If the insured should die or become unable to work leading to disability or death led prior to completion of the medical examination, the Foundation shall solely provide only the legally required minimum benefits for new members and only the previously insured benefits in the event of an increase in benefits.

9.3. In the event of a failure to disclose pre-existing conditions (breach of disclosure obligation) on the part of the insured or if the information provided by the insured during the medical examination is untrue, the death and disability benefits may be reduced to the minimum benefit levels prescribed by law within six months of the Foundation becoming aware of the breach.

9.4. The Foundation will only provide benefits if the incapacity to work, resulting in disability or death within the meaning of BVG, occurred subsequent to joining the Foundation.

If, on joining the Foundation, an insured is not fully able to work — even if this incapacity does not make them partially disabled as defined under the Federal Disability Insurance Scheme (IV) — and if the cause of this incapacity leads to disability or death, the Foundation shall be obligated to only pay the statutory minimum benefits.

In the event of an increase in the annual salary following the onset of an incapacity to work, the relevant pay adjustment shall have no impact on the benefits payable. The minimum benefits prescribed by law are guaranteed.

10. Cessation of insurance

10.1. Insurance cover will cease upon the discontinuation of employment in the absence of any claim for retirement, death or disability benefits.

10.2. If the annual salary is likely to fall permanently below the entry threshold required for compulsory insurance – e.g. as a result of a change in the degree of employment – without death or disability benefits becoming due, the insurance lapses and there is an entitlement to the corresponding vested benefits.

10.3. If, however, the annual salary does not fall below the entry threshold, the insurance cover will be reduced in line with the relevant adjustment to the pensionable salary. Retirement savings will be maintained in accordance with the Regulations, and there shall be no entitlement to equivalent vested benefits.

10.4. If the annual salary of an insured is reduced temporarily due to illness, accident, unemployment, maternity leave, paternity leave or on other grounds, the previous pensionable salary shall continue to apply as a minimum for as long as the employer has a continuing obligation to pay the employee’s salary or there is an ongoing entitlement to statutory maternity, paternity, adoption or care leave. However, the insured person may demand a reduction.

11. Insured’s disclosure obligation

11.1. Insureds joining the Foundation are required to submit a statement of vested benefits under their previous pension scheme to the Foundation.

11.2. In the event that vested benefits of the insured from previous benefit plans are not transferred to the Foundation in full upon admission to the insurance scheme or upon an insured event at the latest, this shall result in a proportionate reduction in the death and disability benefits payable and in the benefits due at retirement.

11.3. If an insured is enrolled in more than one benefit plan and the sum of their AHV-relevant salaries and income exceeds the maximum AHV retirement pension by a factor of 30, they must provide to the Foundation information about all the plans they are enrolled in and the earnings and other income insured under those plans.

11.4. Insureds must immediately notify the Foundation of any change in their marital status or the commencement or cessation of support or maintenance obligations.

11.5. Claimants of disability pensions or survivors' benefits must provide information regarding any qualifying income (e.g. Swiss or foreign social security benefits, other pension scheme benefits, additional income from employment).

11.6. Upon admission to the Foundation, in the event of salary increases or in the event of a claim for disability benefits, the insured must release any treating doctors from their obligation of confidentiality, and permit the Foundation to access their IV records where necessary.

Any events and changes affecting the nature and scope of benefits must be reported to the Foundation immediately (e.g. any change in eligibility for IV benefits or other insurance benefits paid out in respect of the same claim, any return to work or change of employment).

11.7. The Foundation may decline or suspend benefits in the event of a breach of contractual or statutory notification and disclosure requirements or failure to supply any information and documents required, if authorisation to access records is refused, or independent medical examiners are prevented from conducting medical examinations for reasons attributable to the insured.

Any benefits that have been declined or suspended may not be recovered subsequently where an intention to take such action is notified in writing and reasonable advance notice is given and, in the circumstances, the breach is not deemed to have occurred other than through the fault of the insured.

The minimum benefits prescribed by law will be paid in any event.

12. Disclosure of information to insureds

12.1. The Foundation shall prepare a benefit statement once a year indicating the accrued retirement savings, vested benefits, and the level of insured benefits and contributions.

The Foundation shall also issue information on an annual basis in a suitable form regarding its organisation, the composition of the Board of Trustees, funding levels, financial results and investment performance.

12.2. Upon request, the Foundation shall provide information to the insured regarding the amount available to finance home ownership and any reduction in benefits resulting from a drawdown of funds for home ownership purposes.

12.3. If an insured marries, the Foundation shall inform them on the level of their vested benefits at this time.

12.4. To the extent permitted under applicable law, the Foundation shall, upon request, provide further information to insureds regarding the status of their insurance cover and the Foundation's business operations.

12.5. All insureds may, by submitting a request to the Foundation, obtain information regarding all personal data managed by the Foundation and request the correction of such data where necessary.

13. Registered partnerships

13.1. In the event of the death of an insured who has entered into a same-sex registered partnership, the surviving partner shall be entitled to survivors' benefits under the same conditions applicable to widows and widowers.

13.2. The written consent of the registered partner is required in all cases where the written consent of the spouse is required for married insured persons. The same formal requirements must be observed.

13.3. In the event the registered partnership is dissolved by court order, the procedures applying to divorce apply: the vested benefits acquired during the term of the registered partnership are divided in accordance with the provisions of the Swiss Civil Code.

II. PAYROLL TERMS AND DEFINITIONS

14. Annual salary

14.1. The annual salary is established by the employer and notified to the Foundation by 1 January of each year or upon admission of the employee to the insurance scheme.

14.2. The annual salary is the salary that is contractually agreed. The provisions for employees on hourly earnings remain reserved. The annual salary does not include allowances or salary components that are covered by another pension scheme.

14.3. Where an insured has been in the employer's employ for less than one year (e.g. seasonal and fixed-term employment), the annual salary is deemed to be the salary that they would earn in a full year of employment.

14.4. Where an insured's level of employment or income varies significantly, the average annual salary for the relevant occupational category may be established by the Board of Trustees in consultation with the employer in the Appendix. This salary shall then apply.

14.5. The annual salary will be adjusted in line with any variations in pay during the year.

14.6. 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.

14.7. If an insured is declared partially disabled within the meaning of section 25 of these Regulations, the pension is divided into a disability (passive) part for which no salary adjustments are made and an active part for which wage adjustments are possible in accordance with the provisions of this Article.

15. Pensionable salary

15.1. The pensionable salary is set out in the Appendix.

16. Limitations, exclusions

16.1. For insureds who are partially incapable of work within the meaning of the IV, the limit amounts are reduced according to the percentage of their entitlement in accordance with section 25.2.

16.2. Insureds may not have salary components insured under the Regulations that they receive from other employers who are not affiliated with the Foundation.

III. PENSION BENEFITS

A. General provisions

17. Overview of benefits

The Foundation shall pay out the following benefits under these Regulations:

a) upon reaching the regulatory reference age:

– Retirement pension benefits	section 19
– Pension benefits of dependent children of retirement pension recipients	section 23
– AHV bridging pensions	section 23

b) In the event of disability:

– Disability pension benefits	section 25
– Disabled person’s children’s benefits	section 26
– Waiver of contributions	section 27

c) In the event of death:

– Surviving spouse's benefits	section 28
– Surviving partner’s pension benefits	section 29
– Orphan's pension benefits	section 30
– Lump-sum death benefits	section 31

d) in the event of divorce:

- Pensions in favour of a divorced spouse	section 44

18. Retirement savings

18.1. An individual retirement savings balance will be maintained for all insureds for the purpose of funding retirement benefits. An account will be set up upon commencement of retirement benefits.

18.2. The following amounts will be credited to the balance:

- Annual retirement credits;
- Purchases;
- Vested benefits transferred in from previous employment;
- The vested benefits or pension contributed, as well as the lump-sum settlement to be paid in connection with of a divorce ruling
- Repurchases of benefits subsequent to a divorce;
- Repayments of funds withdrawn to finance home ownership;
- Interest.
- The additional credits from uncommitted funds

The following amounts will be debited from the balance:

- Funds paid out to finance home ownership;
- Vested benefits paid out pursuant to a divorce settlement.

18.3. The amount of annual retirement credits that is payable is set out in the Appendix.

18.4. Interest will be calculated on the basis of the value of retirement savings as at the end of the previous year and credited at the end of each calendar year.

18.5. If vested benefits or funds to purchase benefits or from a divorce settlement are paid in/out, or an insured makes or repays an advance withdrawal for financing home ownership, the amount so credited/debited will attract interest on a pro-rata basis in the year in which it occurs.

18.6. Vested benefits transferred in or a pension resulting from a divorce settlement shall be credited to the retirement savings under the scheme and to the statutory minimum retirement savings in the same proportion as debited to the pension fund of the spouse who is required to make the transfer.

18.7. If an insured event should occur or an insured leaves the pension scheme after the start of the year, interest for the current year up to the date in question will be calculated on a pro-rata basis in reference to the value of the retirement savings at the end of the previous year.

In the case of partial invalidity, the Foundation splits the insured's retirement savings into an active part corresponding to the pension entitlement in accordance with section 25.2.

18.8. The interest rate will be established by the Board of Trustees annually, having regard to statutory provisions.

B. Retirement benefits

19. Retirement pension benefits

19.1. On reaching the regulatory reference age each insured is entitled to a retirement pension for life.

19.2. The amount of the retirement pension benefit is determined on the basis of the accrued retirement savings at the outset using an actuarial conversion rate established by the Board of Trustees. The currently applicable conversion rate can be found in the Appendix. It may be modified by resolution of the Board of Trustees at any time. The Board of Trustees must ensure compliance with the statutory minimum pension benefits.

19.3. If the insured became disabled for IV purposes immediately prior to reaching the regulatory reference age, the retirement benefit payable must in all circumstances be equal to the minimum disability pension calculated under the BVG (including cost-of-living adjustments).

19.4. If an insured ceases to work after reaching the minimum age for early retirement, the retirement pension becomes due at that time. The conversion rate will be adjusted in line with the insured’s age.

19.5. The amount of the annual pension benefits of the dependent children of retirement pension recipients that is payable is set out in the Appendix.

20. Partial retirement

20.1. After reaching the minimum age for early retirement, the insured may request the payment of a partial retirement benefit if:

a) the first partial withdrawal amounts to at least 20% of the retirement benefit,

b) the remaining salary is above the entry threshold (section 5.1)

c) and the proportion of retirement benefits drawn before the regulatory reference age does not exceed the proportion of wage reduction.

20.2. An insured may request a maximum of three lump-sum withdrawals.

20.3. An insured may request a maximum of three lump-sum withdrawals.

21. Continued insurance cover in respect of current earnings

21.1. Insureds whose annual salary is reduced by a maximum of 50% after reaching age 60 can maintain their benefit coverage at the level applicable to their previous qualifying pensionable salary. Insurance cover may continue up to the regulatory reference age at maximum. The insured is personally responsible for financing any contribution difference between the salary previously insured and the reduced salary. The employer shall transfer all contributions to the Foundation.

22. Deferred retirement

22.1. Entitlement to retirement benefits can be deferred beyond the regulatory reference age until the insured reaches the age of 70 at the latest, provided they continue to work for the company.

22.2. In the event of termination of employment (also due to incapacity to work) the retirement benefits become due.

22.3. The amount of the retirement credits during deferred retirement is based on the Appendix (pension plan).

22.4. In the event of death during the period of the deferral, the survivor's benefits are equivalent to the survivor's benefits accrued to a retirement pensioner. The amount of survivor's benefits is based on the retirement pension insured at the time of death.

23. AHV bridging pension

23.1. Insureds who take early retirement may claim an AHV bridging pension to compensate for reduced retirement and surviving dependents’ benefits. The amount of the AHV bridging pension may be established by the insured him- or herself. The AHV bridging pension may not exceed the full maximum retirement pension payable under the AHV. The AHV bridging pension will remain unchanged during the entire period during which it is drawn.

23.2. The AHV bridging pension will be paid until the insured reaches the AHV reference age.

23.3. When drawing an AHV bridging pension, the life-long reduction of the retirement benefit in effect from the inception of the pension also results in a reduction of the reversionary benefits and concurrent children’s benefits. This reduction can be compensated by purchasing additional benefits as described in section 50.1. Upon the death of a retirement pension recipient before reaching the AHV reference age, the current surviving partner’s/surviving spouse’s benefit will be calculated on the basis of the recipient's reduced retirement benefit. The reduction of the retirement pension benefit is set out in the Appendix.

23.4. Upon the death of a retirement pension recipient before reaching AHV reference age, the AHV bridging pension will be paid only to eligible surviving dependants.

24. Pensioner's children's benefits

24.1. Any insured who is entitled to a retirement pension is also entitled to a children's benefit for each child eligible to claim an orphan's benefit in the event of the insured's death. The provisions governing orphan's benefits shall apply accordingly. The amount of the pension benefits of the pensioner's children is set out in the Appendix (Pension Plan).

C. Disability benefits

25. Disability pensions

25.1. Upon the onset of disability, insureds are entitled to a disability pension, provided that they:

a) are at least 40% disabled within the meaning of IV and were insured on the onset of the incapacity to work which resulted in disability;

b) had a restricted capacity to work (by at least 20% but not more than 40%) upon commencing employment due to a congenital defect, or the onset of a condition while still a minor, and subsequently become disabled due to a further reduction in their capacity to work, but were at the time insured at a level of not less than 40%.

In the case of b), only the statutory minimum benefits under the BVG will be paid.

25.2. If an insured is partially disabled, a portion of the benefits stipulated for full disability will be awarded according to the degree of disability.

The amount of entitlement to a disability pension is determined as a percentage of an entire pension.

- For a degree of disability of 70 per cent or more, there is an entitlement to a full pension.
- For a degree of disability of 50 to 69 per cent, the percentage corresponds to the degree of disability.
- For a degree of disability of 40 to 49 per cent, the following percentages apply:

Degree of disability	Percentage
49 per cent	47.5 per cent
48 per cent	45.0 per cent
47 per cent	42.5 per cent
46 per cent	40.0 per cent
45 per cent	37.5 per cent
44 per cent	35.0 per cent
43 per cent	32.5 per cent
42 per cent	30.0 per cent

41 per cent	27.5 per cent
40 per cent	25.0 per cent

- If the degree of disability is less than 40 per cent, there is no entitlement to benefits.

25.3. Insureds are eligible for disability benefits no earlier than upon the onset of disability for IV purposes and only if there is no further entitlement to salary or benefits in lieu of salary (where the employer has paid at least 50% of the premiums and the benefits in lieu of salary are at least equal to 80% of the latest salary previously paid). If, for exceptional reasons, entitlement already exists prior to this date, only the minimum benefits stipulated by the BVG will be paid.

25.4. If the level of disability increases due to the same condition once the insured has left employment, the benefits payable as a result shall not exceed the minimum benefits pursuant to BVG.

25.5. The amount of the full annual disability pension is set out in the Appendix.

25.6. Entitlement shall cease where the insured is no longer disabled or the pension recipient dies. If, according to the Appendix, a disability pension or parts thereof are not dependent on retirement savings but on the insured salary, the entitlement to this salary-dependent benefit expires when the regulatory reference age is reached.

26. Disabled person's children's benefits

26.1. Insureds who are entitled to a disability pension benefit are also entitled to disabled person's children's benefits for each child eligible to claim an orphan's benefit in the event of the insured's death. The provisions governing orphan's benefits shall apply accordingly.

26.2. The amount of the disabled person's children's benefit that is payable annually is set out in the Appendix.

27. Waiver of contributions

27.1. Disability gives rise to a waiver of contributions based on the scale set out in section 25.2. The waiver continues for as long as the disability subsists (save as provided in Art. 26a BVG), however, it ceases to apply on reaching the regulatory reference age.

27.2. The commencement and amount of the waiver of contributions is set out in the Appendix.

D. Death benefits

28. General provisions pertaining to surviving spouse's benefits

28.1. The spouse of a deceased insured or pension recipient is entitled to a surviving spouse's benefit provided that they satisfy one of the following conditions upon the death of the insured or pension recipient:

a) They must provide for the support of at least one child;

b) They have reached the age of 35 and the marriage lasted for at least two years (any domestic relationship preceding marriage is credited toward the minimum term);

c) They receive a full IV pension benefit, however, not any other pension benefits.

If the surviving spouse does not satisfy any of these conditions, they are entitled to a one-off lump-sum settlement payment amounting to five annual pension payments.

28.2. Surviving spouse’s benefits are not payable unless the deceased

a) was insured on the date of their death or upon the onset of any condition that prevented them from working and resulted in their death;

b) developed a restricted ability to work (by at least 20% but not more than 40%) upon commencing employment due to a congenital defect, or the onset of a condition while still a minor, and subsequently died due to a further reduction in their capacity to work, but was at the time insured at a level of not less than 40%; or

c) was receiving a retirement or disability pension from the Foundation at the time of their death.

In the case of b), only the statutory minimum benefits under the BVG will be paid.

28.3. Entitlement commences upon the death of the insured or pension recipient, but no earlier than the date on which any continuing salary payments in full cease or entitlement to the retirement pension or disability pension ceases.

28.4. Entitlement to the spouse’s pension ceases upon the death or remarriage of the spouse. If the spouse remarries they will receive a lump-sum settlement equivalent to three annual pension payments. Any pension payments made subsequent to the remarriage will be deducted pro rata from the settlement amount. Any further entitlement to a pension becomes extinct once the lump-sum settlement has been paid out.

28.5. The amount of the surviving spouse’s benefit that is payable is set out in the Appendix.

28.6. If the spouse is more than ten years younger than the insured or they married the insured after the age of 65, the surviving spouse’s benefit will be reduced. The following reductions apply:

- The amount of the spouse’s benefit will be reduced by 1% for every full or part of a year by which the spouse was more than ten years younger than the insured.
- If the marriage to the insured took place after the age of 65, the spouse’s pension will be further reduced by 20% for each full or part of a year over the age of 65.
- No spouse’s benefit will be paid if the marriage took place after the age of 69 or if, at the time of marriage, the insured was aged 65 or above and was suffering from a serious condition of which they were aware, which resulted in their death within two years of marrying.

The foregoing restrictions do not apply insofar as they would affect the statutory minimum benefits under the BVG.

28.7. A divorced spouse will be treated in the same way as a widow or widower in respect of the statutory minimum benefits provided that

- the marriage lasted at least ten years; and
- the divorced spouse was awarded a pension upon divorce pursuant to Art. 124e (1) or Art. 126 (1) Swiss Civil Code.

Entitlement to surviving dependents' benefits shall continue to apply for the same period as the pension would have been payable.

The surviving dependents' benefits from the Foundation will be reduced by the amount by which these benefits, in combination with the AHV survivors' benefits, exceed the entitlement under the divorce settlement.

AHV survivors' benefits will be included only to the extent that they are higher than the divorced spouse's own entitlement to an IV disability pension or AHV retirement pension.

29. Partner's pension

29.1. If the insured or pension recipient dies, leaving a surviving partner rather than a spouse, the surviving partner is entitled to a partner's pension equal to the amount of the spouse's pension.

29.2. A surviving domestic partner is entitled to surviving dependents' benefits only if they

- cohabited with the insured for a continuous period of five years prior to their death, and maintained a domestic partner relationship (any years of marriage are not counted for either partner),
- were cohabiting with the insured as their domestic partner at the time of the insured's death and are required to provide financial support for one or more of the couple's children who are eligible to claim an orphan's benefit under these Regulations.

A domestic partner relationship is defined by a shared domicile (joint household) and the existence of a monogamous two-person relationship.

In addition, the domestic partner may not

- be below the age of 35;
- be married; or
- be related to the insured or be the stepchild of the insured; or
- may not receive a surviving spouse's or surviving partner's benefit from a 2nd pillar or AHV pension scheme.

29.3. The maximum benefits paid out by the Foundation may not exceed 100% of the surviving spouse's pension.

29.4. The claim must be filed no later than three months following the insured's death.

29.5. There is no entitlement to a partner's pension if the beneficiary is already drawing a survivor's pension from a domestic or foreign pension scheme from a previous marriage or cohabitation or has received a corresponding lump-sum settlement for such an entitlement.

29.6. The partner's pension ends if the recipient of the partner's pension marries, enters a new life partnership or dies.

29.7. The other provisions governing surviving spouse's pension benefits apply here by extension, with the exception of the statutory minimum benefits in respect of the spouse's pension.

30. Orphan's benefits

30.1. The children and foster children of deceased insureds or pension recipients are entitled to an orphan's benefit, provided the deceased was required to support them financially.

30.2. Entitlement commences upon the death of the insured or pension recipient, but no earlier than the date on which any continuing salary payments in full cease or entitlement to the retirement pension or disability pension ceases. Entitlement shall cease if the orphan dies, or once the orphan has reached the age of 18. However, entitlement shall continue through the age of 25 at the latest in the following cases:

- for children who are still studying or undergoing vocational training, until they have completed their education;
- for children who are at least 70% disabled.

A child is in education if, on the basis of a proper, legally or at least factually recognised course of education, he or she is either systematically and for the most part preparing for a vocational qualification or acquiring a general education that forms the basis for the acquisition of various professions. A child is also considered to be in education if he or she takes part in bridging programmes such as motivational semesters and pre-apprenticeships as well as au pair and language trips, provided they include a proportion of school lessons.

30.3. The amount of the orphan's benefit that is payable is set out in the Appendix.

31. Lump-sum death benefits

31.1. If an insured or pension recipient dies, a lump-sum death benefit is payable. The following individuals are eligible (in equal shares, where applicable):

a) the spouse or orphans who is/are eligible under these Regulations;

b) in the absence of eligible beneficiaries pursuant to a): natural persons who were supported in a substantial manner by the insured, or the person with whom the insured lived together in a domestic partnership for at least five consecutive years before their death, or who are responsible for supporting one or more joint children;

c) in the absence of beneficiaries designated under b): the children of the deceased who do not satisfy the conditions of section 30;

d) in the absence of beneficiaries according to c): the parents or siblings of the deceased. The claim of the parents and siblings may not exceed a total of 50% of the lump-sum death benefit.

The claim must be filed no later than three months following the insured's death.

The insured can instruct the Foundation in writing designating which people within a group of beneficiaries are eligible to benefit and the share of the lump-sum death benefit to which they are entitled.

31.2. The amount of any additional lump-sum death benefit payable is set out in the Appendix.

E. Common provisions governing benefits

32. Cost-of-living adjustments

32.1. Surviving dependents' and disability pensions paid out for a period of more than three years will be adjusted for the cost of living as directed by the Federal Council. Individual cost-of-living adjustments will be calculated on the basis of the minimum benefits payable under the BVG. Benefits predating the BVG or exceeding compulsory benefit levels will be applied against cost-of-living adjustments.

32.2. Insofar as is financially feasible, current pension payments will be adjusted in all other cases. The Foundation determines on an annual basis whether pensions are to be adjusted and the scope of any such adjustment. Any resolution adopted by the Board of Trustees is noted in the annual report.

33. Relationship to other types of insurance

33.1. In the event of an insured event under the Accident Insurance Act (UVG) or the Military Insurance Act (MVG), the applicable retirement, death or disability benefits shall always take precedence. The Foundation will disburse the minimum BVG benefits at maximum.

33.2. Where the accident insurance or military insurance scheme does not pay out full disability or death benefits because the incident giving rise to the claim was not exclusively caused by circumstances covered by the scheme, the benefits stipulated in these Regulations will be awarded on a pro-rata basis.

33.3. Death benefits will be paid out upon the death, due to illness, of an insured who was claiming disability benefits under an accident insurance or military insurance scheme at the time. The same applies, based on the degree of disability, in respect of persons suffering from a disability due to an illness who die as a result of an accident.

Where surviving spouse's and orphan's benefits of the military insurance provider (pursuant to Art. 54 MVG) are reduced because the insured's death was not the result of an insured health impairment, the BVG minimum benefits may not be reduced.

34. Conditions applying to reductions and coordination amounts

34.1. If the Foundation's death and disability benefits (including the retirement benefits replacing them) together with the legally recognisable benefits or income result in an income of more than 90% of the presumed loss of earnings, the Foundation's benefits will be reduced by the amount exceeding this 90%. This amount will be adjusted in the same intervals as any cost-of-living adjustments in line with the

National Consumer Price Index as provided for by the BVG. The minimum compulsory benefits under the BVG will be disbursed in any event.

During the period of continued insurance cover and maintenance of the entitlement to benefits pursuant to Art. 26a BVG, the Foundation will reduce the disability benefit in line with the insured's reduced degree of disability, but only to the extent that this reduction is compensated by additional income earned by the insured.

The Foundation is under no obligation to compensate for any reduction in or refusal of benefits under the AHV/IV, compulsory accident insurance or federal military insurance benefits, in particular where this was performed pursuant to Art. 21 Federal Law on General Social Security Law (ATSG). In such circumstances, the full amount of benefits will be included in any calculation to determine the reduction to be applied.

The Foundation may reduce its benefits by an equivalent amount if the AHV / IV scheme reduces or withholds its benefits, or declines to pay out benefits, because the death or disability was caused through serious negligence on the part of the claimant or the claimant has refused IV reintegration services.

If the benefits payable by the Foundation are reduced due to a drawdown of funds for financing home ownership, the full amount of benefits will be taken into account.

If, in the event of a divorce, a disability benefit is split, the portion of the benefit awarded to the eligible spouse will still be included in the calculation of any reduction in the insured's disability benefit (including the retirement benefit superseding it).

The provisions according to Art. 21 ATSG are applicable.

34.2. When reducing disability benefits before reaching the regulatory reference age and reducing survivor's benefits, the Foundation shall offset the following benefits and income:

- Surviving dependents' and disability benefits that are paid by other Swiss and foreign social security schemes and benefit institutions on account of the insured event; in so doing, lump-sum payments will be applied at their equivalent conversion value;
- daily benefits from compulsory insurance schemes;
- Daily benefits from voluntary insurance schemes where the employer finances at least half;
- As well as any gross earned income or the income from gainful employment or replacement income that the recipient of a disability pension can reasonably be expected to earn.

The Foundation may not offset the following benefits and income:

- compensation for dependency and loss of bodily functions, one-off settlements, assistance benefits and similar benefits;
- Additional income received while taking part in IV reintegration measures.

Surviving spouse's benefits and orphan's benefits will be added together.

The Foundation may verify the conditions to be satisfied and the extent of a reduction at any time and adjust its benefits if a significant change in the situation has taken place.

34.3. Once the insured has reached the regulatory reference age, benefits will not be reduced unless they coincide with the following:

- Benefits under the Accident Insurance Act (UVG),
- Benefits under the Military Insurance Act (MVG),
- Similar benefits from foreign schemes.

In this case, the Foundation shall continue to pay benefits in the same amount as before the insured reached the regulatory reference age.

The Foundation is under no obligation to provide compensation for other benefits reduced after the insured reaches the regulatory reference age or for other benefits reduced or refused on the grounds that the insured was at fault. In particular, the Foundation is not required to compensate the benefit reductions upon reaching the regulatory reference age pursuant to Article 20 $(2)^{ter}$ and $(2)^{quater}$ UVG and Article 47 (1) MVG.

Reduced pension scheme benefits taken together with benefits under the UVG, MVG and comparable foreign benefit schemes may not be lower than non-reduced compulsory benefits as stipulated under the BVG.

34.4. Benefit claimants must assign to the Foundation any claims that they may have against liable third parties to the full extent of any benefits the Foundation is obligated to pay.

34.5. Any advance payment that the Foundation is required to pay will be limited to the statutory minimum benefits under the BVG.

Claimants must provide evidence that they notified their claim to all the relevant pension and insurance schemes.

The Foundation reserves the right to obtain additional documents and information, including from third parties. The insured must make every effort to ensure that the Foundation’s obligation to pay benefits is as low as possible. If the insured fails to comply with any of the foregoing obligations, the Foundation may reduce or reclaim payments accordingly.

34.6. If an insured’s disability or death was caused intentionally, benefits will be limited to the compulsory minimum prescribed by law (BVG). This provision shall also apply if the insured’s disability or death was caused by their active involvement in war, hostilities or civil unrest, other than a war waged by Switzerland or hostilities in which Switzerland is involved.

35. Payment of pension benefits

35.1. Pension benefits due under these Regulations are, as a general rule, payable at the end of the month. The benefit will be disbursed in full for the month in which the entitlement expires.

35.2. If the Foundation is in arrears with the provision of benefits, it shall owe default interest in the amount of the BVG minimum interest rate.

35.3. Withholding tax may be deducted.

36. Lump-sum settlements

36.1. Upon reaching the regulatory reference age or with early or deferred retirement, an insured can withdraw their retirement savings or a portion thereof as a one-off lump-sum settlement, provided they are not a recipient of disability benefits. The insured must notify the Foundation of this in writing by no later than one month in advance and, where they are married, have their spouses also sign said notification; the Foundation will verify the signature and may require further evidence from the insured where necessary. Insureds who do not comply with this deadline or who do not furnish the supporting documentation requested by the Board of Trustees will be entitled to a lump-sum withdrawal of their retirement benefits only as provided for by law.

36.2. Spouse's pensions may be disbursed in the form of a lump-sum settlement. Beneficiaries must notify the Foundation to this effect in writing prior to the first pension payment.

36.3. If, at the time of drawdown, the annual retirement pension or disability pension payable in respect of total disability is less than 10%, the spouse’s benefit less than 6% and any children’s benefit less than 2% of the basic minimum AHV retirement pension, an equivalent lump-sum amount will be disbursed in any event in lieu of the pension, said pension to be calculated in accordance with actuarial rules.

36.4. Where a lump-sum settlement is made, the retirement savings under the scheme and the statutory minimum retirement savings will be reduced proportionately.

Once all or part of the retirement savings have been disbursed, there is no further entitlement to benefits from the Foundation in the amount of the sum disbursed, including any entitlement to spouse’s, partner’s and children’s benefits.

36.5. Withholding tax may be deducted.

37. Refund of benefits wrongfully drawn

37.1. Any benefits wrongfully received must be refunded. The Foundation may refrain from demanding a refund if the benefit recipient acted in good faith and the refund would lead to major hardship.

37.2. The right to recovery expires three years after the Foundation has become aware of it, but at the latest at the end of five years from the payment of the benefit. If a restitutory claim or claim for damages is derived from a criminal act for which a longer period of limitation is stipulated in criminal law, the longer period shall apply.

37.3. Restitutory claims for refunds shall not attract any interest unless they were wrongfully drawn. No interest shall be payable where the unjust payment is based on an error made by the Foundation.

The rate applicable to calculating interest in connection with unjust payments is governed by the minimum BVG interest rate, increased by 1%.

38. Measures for the neglect of a maintenance obligation

38.1. If an insured is in default with maintenance payments to be made on a regular basis amounting to at least four monthly payments, the specialist body designated by cantonal law may report this to the Foundation.

38.2. The notification shall have effect upon completion of the processing, but no later than five working days after its delivery.

38.3. The Foundation must immediately notify the specialist body of the occurrence of the due date of the following claims of the insureds notified to it:

a) payment of the benefit as a one-off lump-sum settlement in the amount of at least CHF 1,000;

b) cash payment of at least CHF 1,000;

c) early withdrawal to promote home ownership.

38.4. It must also notify the specialist body of the pledging of pension funds of these insureds and the realisation of the pledge of these funds.

38.5. The notifications referred to in paragraphs 1, 3 and 4 shall be made in writing by registered post or by any other means against confirmation of receipt.

38.6. The Foundation may make a transfer in accordance with paragraph 3 at the earliest 30 days after delivery of the notification to the specialist body.

39. Processing of personal data by the Foundation

39.1. The Foundation collects all, but only that personal data that is necessary for the performance of the occupational pension plan in accordance with the law and the Pension Scheme Regulations.

39.2. The data will be collected in particular about:

- Insureds
- Recipients of benefits (mainly pensioners, but also recipients of capital benefits, for example)
- Persons applying for a benefit from the Foundation, such as divorced spouses
- Spouses, partners and beneficiaries of insureds and pensioners or beneficiaries of benefits

39.3. In particular, data on individuals and information on their financial situation is collected, insofar as this is necessary for the performance of the occupational pension scheme.

39.4. The Foundation collects the data directly from the data subjects and from the other bodies involved in the performance of the data subject's occupational benefits, such as in particular:

- Employers
- Previous and subsequent pension and vested benefits institutions
- Bodies of the Foundation such as occupational pension expert or auditor
- Third parties such as AHV, IV, unemployment insurance, compulsory accident insurance, lawyers, independent medical examiner, etc.
- Other offices and authorities such as enforcement office, land registry, KESB, social security office, tax authorities, etc.
- Other insurance providers such as providers of reinsurance for the Foundation, liability insurance, daily sickness allowance insurance, additional accident insurance, etc.

39.5. Data will only be transferred if this is necessary to carry out the occupational pension scheme. The data is transmitted exclusively to the respective required recipients and exclusively to the required extent. Data security is ensured during data transmission. As a rule, the recipient is one of the offices listed in paragraph 4.

39.6. Data is transferred abroad by post to a data subject who lives abroad. In all other cases, data will be transmitted exclusively to the countries specified in Annex 1 DSV (Swiss Data Protection Ordinance).

39.7. Data subjects have the following rights in connection with their personal data pursuant to the Swiss Data Protection Act (DSG):

- a right of access to their personal data stored by the Foundation;
- the right to have incorrect or incomplete personal data rectified;
- the right to receive certain personal data in a structured, commonly used and machine-readable format;
- the right to request the deletion or anonymisation of their personal data if it is not or no longer necessary for the performance of the occupational pension scheme;
- the right to request the restriction of the processing of their personal data to the extent that the processing is not or is no longer necessary for the performance of the occupational pension;
- the right to withdraw consent with effect for the future, insofar as processing is based on consent.

39.8. In the event of a benefit, the Foundation has the obligation to request the explicit consent that the necessary data (e.g. name, date of birth, medical data, insurance decisions) can be forwarded to the insurance company and the occupational pension expert for reviewing and processing the benefit claim. If consent has already been given under the IV procedure, this request will be waived.

39.9. The Foundation has appointed a data protection advisor who serves as a contact point for the data subjects and the Swiss Federal Data Protection and Public Relations Officer (EDÖB). The data protection advisor performs their function vis-à-vis the Foundation professionally independently and without instructions. The contact details of the data protection advisor can be requested from the Foundation.

39.10. Further information can be found in the public register of register entries of the federal institutions. In this register, insured persons and pensioners in particular can find out about the data processing by the Foundation.

40. Processing of personal data by a life insurance company

40.1. The Foundation may enter into a group life insurance contract with a life insurance company to cover the risks of old age, death and disability. All rights and obligations under the group life insurance contract shall accrue exclusively to the Foundation and the insurance company. Beneficiaries shall have no direct rights or claims against the relevant life insurance company.

40.2. The Foundation may forward to the insurance company for processing all data (e.g. name, date of birth, medical data, insurance decisions, etc.) required for the conclusion of the contract, for checking the application, processing the contract and settling claims. The insured shall assist the Foundation and any insurance company in obtaining information and documents.

40.3. The Foundation may delegate the procurement and use of the necessary information to its insurer for examining its inclusion in the Foundation, for managing the insurance contract and for determining any entitlement to benefits. The insurer may process the data, in particular particularly sensitive data, within this framework and may, if necessary, forward the information to its reinsurer for processing. Compliance with Swiss data protection regulations is guaranteed at all times by the life insurance company.

IV. PROMOTION OF HOME OWNERSHIP

41. Promotion of home ownership

41.1. Insureds may either pledge their pension rights by way of security or make an advance withdrawal of funds and use them directly for the purposes of financing a home for their own use.

41.2. Assets withdrawn or pledged under the provisions for the promotion of home ownership may be used to purchase or construct residential property, to acquire an interest in residential property (e.g. by purchasing shares in a housing cooperative), to meet repayment obligations, or to retire an existing mortgage.

41.3. 'Residential property' is understood to mean an apartment or single-family home owned by an insured either solely or jointly with others, held in tenancy in common by an insured and their spouse, or who has been granted a distinct and permanent right to build.

41.4. 'For the insured's own use' is understood to mean the use of a residential property as an insured's domicile or habitual residence. If the insured is temporarily unable to use the residential property, the property may be let for the period in question.

42. Advance withdrawals

42.1. Insureds may make an advance withdrawal of funds up to three years prior to the regulatory reference age; where applicable, they must obtain written consent from their spouse. The Foundation will verify the signature and may require further evidence from the insured, where necessary. If this approval cannot be obtained or if it is refused without good cause, the insured shall have recourse to the courts.

42.2. In addition, advance withdrawals of funds may only be made every five years, and a minimum of CHF 20,000.00 must be withdrawn. No minimum amount applies to withdrawals to purchase an interest in residential property.

If purchases of benefits have been made, no benefits may be withdrawn from the pension scheme as a lump sum during the following three years.

42.3. The amount available for advance withdrawal is equal to the vested benefits, however, if an insured is already over the age of 50, the amount that may be pledged shall be limited to the amount of the insured's vested benefits at age 50 or to half of their current vested benefits, whichever is greater.

42.4. Where retirement savings are relevant for establishing the amount of benefits, any advance withdrawal will always have the effect of reducing the benefits paid out in the case of an insured event. The Foundation shall inform the insured of their new, reduced benefits at the time the withdrawal is made. Previous benefits will be restored to the extent that the amount withdrawn from the scheme is repaid.

Previous benefits will be restored to the extent that the amount withdrawn from the scheme is repaid.

Where an advance withdrawal is made, the retirement savings under the scheme and the statutory minimum retirement savings will be reduced proportionately. Any repayments will be credited in the same proportionate amount.

Any allocation of an advance withdrawal or a repayment among separately maintained retirement savings balances is set out in the Appendix.

Shortfalls in cover may be made good by taking out additional insurance outside of the Foundation. In order to obtain a quotation for this purpose, the insured may either contact an insurer of their choosing, or obtain a quotation through the Foundation.

42.5. Funds requested for the purpose of financing home ownership will be paid by the Foundation directly to the insured's obligee or dominant owner within six months of receipt of the insured's request to this end.

42.6. The provident objective of the funds withdrawn in advance shall be secured by entering a notice to this effect in the land register or depositing cooperative share certificates with the Foundation. The notice entered in the land register may be expunged under the following conditions:

- When a regulatory entitlement to retirement benefits arises;
- Following the occurrence of any other insured event;
- In the event of cash disbursements of the vested benefits;
- Where it is shown that the amount invested in the residential property has been transferred to the insured's pension fund or a vested benefits institution.

42.7. On making any advance withdrawal, the insured shall immediately pay the relevant tax. Where the advance withdrawal is reversed, the tax authorities will refund any tax paid at the time without interest. The Foundation will prepare the official certifications required to this effect within the time limits prescribed by law.

42.8. The insured, or the heirs to the insured's estate, must repay to the Foundation any amount withdrawn in advance if

- the residential property is sold;
- rights in the residential property are granted which are equivalent to a sale in economic terms;
  or
- no pension benefits are payable upon the insured's death.

The transfer of title may not be entered in the land register until repayment has taken place.

If the insured wishes to re-use the proceeds of the sale of their residential property within two years in order to acquire more residential property in the amount of the withdrawal made, they may transfer this amount to a vested benefits institution.

The repayment obligation extends only to any proceeds of sale. The proceeds of sale are deemed to be the purchase price, less any mortgage debt owed and any taxes or duties the seller is required to pay by law. Any loan commitments incurred within two years of the sale must have been required for the purpose of financing residential property; loans for any other purpose will be disregarded.

42.9. The insured is entitled to voluntary repayment of the amount withdrawn in advance until the regulatory entitlement to retirement benefits arises, provided that no other insured event has occurred or a cash payment of the vested benefits is requested. The minimum amount that may be repaid is CHF 10,000.00; the Foundation will prepare the official certifications required to this end within the time limits prescribed by law.

43. Pledging of assets

43.1. Assets may be pledged up to three years prior to becoming eligible to claim retirement benefits; where applicable, the insured must obtain the written consent of their spouse. If this approval cannot be obtained or if it is refused without good cause, the insured shall have recourse to the courts.

43.2. The amount available for pledging is equal to the vested benefits, however, if an insured is already over the age of 50, the amount that may be pledged shall be limited to the amount of the insured’s vested benefits at age 50 or to half of their current vested benefits, whichever is greater.

43.3. The pledge of assets will take effect once the insured has notified the Foundation of the pledge by registered letter, indicating the obligee. The Foundation must ascertain whether the requirements applicable to the pledge have been satisfied.

43.4. The consent of the obligee must be obtained if, following divorce, the sum pledged is affected by any cash disbursement of vested benefits, a disbursement of pension benefits or the transfer of a share in pension benefits to the other spouse's pension scheme.

43.5. In the event that the pledge is exercised, the same effects as an advance withdrawal will ensue.

43.6. The pledge will be extinguished within three months of notification by the obligee that the conditions of pledge have ceased to apply.

V. DIVORCE OF INSUREDS

44. General principles

44.1. In the event of divorce, the vested benefits or pension shares calculated for the duration of the marriage will be divided in accordance with the provisions of the Swiss Civil Code; where required to do so by the insured or divorce court, the Foundation shall provide information regarding the assets to be factored into this calculation.

45. Impact on insureds

45.1. The relevant share will be transferred to the insured's spouse, the provisions governing termination of employment applying accordingly. The court will notify the Foundation ex officio of the amount to be transferred and provide the requisite details regarding maintenance of coverage.

45.2. In an insured event, the transfer of assets causes the benefits payable to be reduced, although the Foundation shall permit the insured to make additional purchases of benefits in the amount of the assets transferred. The provisions governing admission to the Foundation shall apply accordingly.

Where assets are transferred, the retirement savings under the scheme and the statutory minimum retirement savings will be reduced proportionately. Any repurchase of benefits will also be credited proportionately.

Any allocation of a divorce settlement withdrawal or a repayment among separately maintained retirement savings balances is set out in the Appendix.

If the insured does not make additional purchases of benefits, the Foundation will notify the insured of the new benefit amounts and contribution levels at the time of transfer.

Shortfalls in cover that arise as the result of transferring vested benefits may be made good by taking out additional insurance outside of the Foundation. In order to obtain a detailed quotation for this purpose, the insured should contact an insurance company of their choosing. The Foundation will provide a quotation upon request.

46. Pensioners

46.1. Adjustment of retirement benefit following a division of pension assets

Any current retirement benefit will be reduced by the portion of the benefit awarded to a spouse entitled to the division of pension assets.

Any retired person's children's benefits and superseding orphan's benefits being paid at the time that divorce proceedings are initiated will not be reduced. The pension rights represented by retired person's children's benefits and surviving dependents' benefits will be calculated on the basis of the reduced retirement benefit.

46.2. Conversion of share of pension into a life-long pension

The Foundation will convert the share of the pension that has been awarded to an eligible spouse into a life-long pension using the formula or basis for calculation prescribed by law.

In carrying out the conversion, the date of the decree absolute of divorce is determinative.

46.3. Calculation of vested benefits upon reaching the regulatory reference age during divorce proceedings

If an insured becomes eligible to claim retirement benefits during the divorce proceedings, the Foundation will reduce the share of vested benefits and retirement pension benefit to be transferred. This reduction may not exceed the amount by which any pension payments made up to the date of the decree absolute of divorce would have been reduced if the relevant calculation had been based on the reduced percentage of assets resulting from the share of vested benefits transferred. The reduction will be split equally between the two spouses.

If the insured is claiming a disability pension and reaches the regulatory reference age during the divorce proceedings, the Foundation will reduce any share of vested benefits and retirement pension benefit to be transferred. The reduction corresponds at most to the sum by which the pension payments between reaching the regulatory reference age and the date of legal validity of the divorce decree would have been lower if their calculation had been based on a credit balance reduced by the transferred part of the vested benefits. The reduction will be split equally between the two spouses.

46.4. Apportionment where claiming a retirement benefit is deferred

If the insured has reached the regulatory reference age when divorce proceedings are initiated and has deferred their claim to retirement benefits, the pension assets available at this time shall be divided in the same way as the vested benefits.

46.5. Adjustment of disability pension following the division of pension assets

After splitting a hypothetical termination benefit, any disability pension currently being paid will be reduced insofar as the disability pension calculated includes the retirement savings under the pension regulations that had accrued prior to commencement of eligibility for the pension.

Any reduction may not exceed the amount by which the disability pension would have been reduced if the relevant calculation had been based on the reduced percentage of retirement savings resulting from the share of vested benefits transferred. However, the reduction in relation to the current disability pension may not exceed the transferred part of vested benefits in relation to the entire vested benefits.

The reduction will be determined in accordance with the scheme rules on the basis of which the disability pension was calculated. The date on which the divorce proceedings were initiated is taken as the basis for calculating the reduction.

Any disabled person’s children's benefits and superseding orphan’s benefits being paid at the time that divorce proceedings are initiated will not be reduced. The pension rights of disabled person’s children’s and surviving dependents’ benefits will be calculated on the basis of the reduced disability benefit.

46.6. Division of pension assets where the disability pension is reduced prior to reaching the regulatory reference age

If a disability pension is reduced due to concurrent payments under accident or military insurance schemes, the amount payable under Art. 124(1) of the Swiss Civil Code may not be used for the purpose of dividing pension assets in the event of divorce prior to reaching the regulatory reference age.

However, the amount may be used for the division of pension assets if the disability pension would not be reduced without claiming children's pension benefits.

46.7. Procedure for transferring an awarded portion of a pension to a pension fund or vested benefits institution

The Foundation will transfer any life-long pension that has been awarded to an eligible spouse to their pension fund or vested benefits institution. The transfer will include the pension owed for a calendar year and is to be effected by 15 December of the relevant year.

If, during the relevant year, an entitlement to payment arises due to old age or disability, or if the spouse dies, the transfer will include the pension owed from the start of the year until that point in time.

The spouse must inform their Foundation or vested benefits institution of their entitlement to a life-long pension and indicate the name of the insured's Foundation. If they switch their pension fund or vested benefits institution, they must inform the Foundation of this no later than 15 November of the relevant year.

If the Foundation is not notified of the spouse's pension fund or vested benefits institution, it will transfer the relevant amount to the BVG contingency fund foundation no earlier than six months but no later than two years after the time limit for this transfer. It will remit subsequent transfers to the BVG contingency fund foundation annually until it receives the notification stipulated in section 3.

In addition to the amount of the annual transfer, interest representing half of the applicable interest rate defined in the Regulations shall be payable by the Foundation for the relevant year.

Instead of transferring pension benefits, the Foundation and the eligible spouse may agree upon a lump-sum transfer.

46.8. Procedure for transferring a pension share awarded to an eligible spouse

If the eligible spouse is entitled to a full disability pension or has reached the minimum age for early retirement (Art. 1 para. 3 Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG)), they may request payment of a life-long pension benefit pursuant to Art. 124a Swiss Civil Code (ZGB).

If the spouse has reached the regulatory reference age pursuant to the BVG, the life-long pension will be disbursed to them. They may request that it be transferred into their own pension fund if that fund allows for the purchase of additional benefits.

47. Information obligations of the Foundation

47.1. In the event of a divorce, the Foundation shall, on request, provide the insured with the following information in addition to the information required by law:

- Information indicating whether and to what extent the vested benefits were withdrawn early under the provisions for financing home ownership;
- The amount of vested benefits at the time of any early withdrawal;
- Whether and to what extent termination or pension benefits have been pledged;
- The probable amount of the insured’s retirement pension benefit;
- Whether lump-sum settlements have been paid;
- The amount of the insured’s disability or retirement pension benefit;
- Whether and to what extent the insured’s disability benefit has been reduced, whether it is reduced due to concurrence with accident or military insurance disability benefits and, if so, whether it would be reduced even without any entitlement to children’s pension benefits;
- The vested benefits that would be received by the recipient of a disability pension following the cessation of the disability pension;
- The reduction of the insured’s disability benefit pursuant to Art. 24 (5) BVG;
- Other information required in order to perform a division of pension assets.

VI. CONTRIBUTIONS

48. Insured’s obligation to pay contributions

48.1. The insured’s obligation to pay contributions commences upon their admission to the Foundation.

48.2. The obligation to pay contributions expires:

- with the death of the insured,
- with early retirement,
- upon reaching the regulatory reference age,
- with the early withdrawal from the Foundation as a result of the termination of employment or the expected permanent fall below the minimum salary necessary for the insurance obligation.

48.3. Any exemption from contributions in the event of disability, as well as any obligation to pay contributions during deferral of retirement benefits, remain reserved.

48.4. Contributions are payable in full in the month of admission and departure where admission takes place prior to and including the 15th of the month and departure takes place subsequent to the 15th of the month.

48.5. The employer shall deduct any contributions payable by the insured from their salary or benefits in lieu of salary in equal instalments. The employer shall transfer all contributions to the Foundation monthly within 30 days. The employer is obligated to inform the Board of Trustees without undue delay where it is in arrears with the payment of contributions by more than three months. The Board of Trustees shall notify the competent supervisory authorities of any outstanding contributions that are more than three months overdue.

48.6. The employer shall pay the employer contributions from the employer’s own funds or from accrued contribution reserves previously set aside for such purposes, these amounts to be shown separately in the Foundation’s financial statements.

49. Amount of contributions

49.1. The annual contributions are determined in accordance with the procedure set out in the Appendix.

49.2. The monthly deduction is equal to one-twelfth of the annual contribution due from the insured.

50. Purchase for early retirement / AHV bridging pension

50.1. Where provided for in the Appendix, prior to an insured event occurring and provided that the insured has purchased the maximum benefits as provided for under the Regulations, the insured may make additional purchases with the aim of offsetting any reduction in benefits caused by early retirement. The basis for calculating the possible purchasable total pursuant to the Appendix is: the pensionable salary at the time of purchase and the accrued retirement savings under the scheme. The maximum purchasable total results from the actuarial values of the Foundation. They are set out in the Appendix. Purchases of benefits may be additionally made in the amount of the AHV bridging pension benefits being drawn.

Pillar 3a assets from self-employment, vested benefits that are not required to be transferred to the Foundation, and retirement savings exceeding the maximum permissible retirement savings must be credited in accordance with statutory provisions. The insured must provide the Foundation with all the requested documents and evidence prior to the intended purchase of benefits.

50.2. If the insured has made purchases to compensate for the reduction in benefits in the event of early retirement and does not take early retirement, no further savings contributions may be levied once the minimum age for early retirement has been reached for as long as the existing retirement assets exceed the maximum possible retirement assets. In addition, as long as the available retirement assets exceed the maximum possible retirement assets, an interest-rate freeze is applied. The target benefits under the scheme may not be exceeded by more than 5% as at the actual date of retirement. Any surplus retirement savings will revert to the Foundation.

VII. DISCONTINUATION OF EMPLOYMENT

51. Vested benefits: Entitlement / claim

51.1. If an insured leaves the service of the employer without benefiting from the retirement, death or disability benefits of the Foundation mentioned in these regulations or without claiming continued insurance pursuant to Art. 47a BVG, they are entitled to a vested benefit.

51.2. Insureds may also claim vested benefits if they exit the Foundation between the minimum age for taking early retirement and the regulatory reference age and continue to be gainfully employment or are registered as unemployed.

52. Vested benefits: Amount

52.1. The amount of vested benefits shall, in all cases, be equal to the total retirement savings accrued to the employee and the employer. (The contributions not used in the accumulation of retirement savings are described in the Appendix.)

52.2. If, on joining the Foundation, the insured undertook to pay a proportion of the entry lump-sum himself or herself, that portion will be factored into the calculation of vested benefits even if it was not paid or paid only in part. However, any unpaid portion, plus interest, will be deducted from the vested benefits.

52.3. The vested benefits may not, however, be less than the level of entitlement calculated in accordance with Art. 15 BVG or Art. 17 Vested Benefits Act (FZG).

52.4. The vested benefits are payable upon leaving the Foundation. If the vested benefits are not transferred within 30 days of the Foundation receiving the necessary information, default interest is payable from the end of that period at the minimum rate set by the Federal Council. Prior to the end of the aforementioned period, interest is payable at the rate pursuant to BVG.

The above provision shall also apply in the event that an affiliation agreements are terminated.

53. Vested benefits: Final accounting

53.1. Upon the discontinuation of employment, the Foundation shall prepare a statement of vested benefits for the insured. This shows the calculation of the vested benefits, the amount of the minimum amount in accordance with the FZG, the amount of the BVG retirement assets on leaving, the amount of the vested benefits at age 50 and on marriage or on 1 January 1995 (for insureds who married before 1 January 1995), whether and to what extent the vested benefits were withdrawn in advance or pledged as part of the promotion of home ownership, the amount of the vested benefits and pension shares transferred as part of a pension equalisation in the event of divorce.

53.2. Upon exiting the Foundation, any existing provisos on health grounds will be noted on the vested benefits statement for the attention of the new pension scheme and the medical records will be transferred by the medical examiner of the Foundation to the medical examiner of the new pension scheme, subject to the insured’s consent.

53.3. In the event of termination of employment, the Foundation must provide with regard to insureds who draw or have drawn a retirement benefit each new pension or vested benefits institution with information on the receipt of retirement and disability benefits that are necessary for:

- the calculation of the purchase opportunities or the salary to be insured; and
- compliance with the maximum number of withdrawals in the form of lump sum settlements.

54. Maintenance of coverage

54.1. The Foundation shall maintain the insured's vested benefits for the purposes of pension provision and transfer such benefits to the insured's new pension scheme. In the event that the Foundation is obligated to pay out benefits subsequently, the insured's new pension scheme shall refund vested benefits to the extent required to meet such payments. Any vested benefits previously paid will otherwise be taken into account in the event of any subsequent obligation on the part of the Foundation to pay out benefits.

54.2. If the vested benefits cannot be transferred to the insured's new pension scheme, the insured shall determine the form in which coverage should be maintained, subject to the available options prescribed by law (vested benefits policy or vested benefits account), which the Foundation will notify to the insured on the discontinuation of employment.

54.3. If the insured has not provided any instructions as to how their vested benefits are to be appropriated within the time period specified by the Foundation, the Foundation will transfer the vested benefits, plus interest, no earlier than six months and no later than two years thereafter to the BVG contingency fund foundation.

55. Cash disbursements

55.1. Cash disbursements of vested benefits may only be made in the following cases:

a) To an insured who is leaving Switzerland permanently;

b) To an insured entering self-employment who is no longer subject to compulsory enrolment in an occupational pension scheme;

c) If the value of vested benefits is less than a single annual contribution payable by the insured.

Payment in cash to married insured persons is not permitted unless the spouse gives their written consent. If this approval cannot be obtained or if it is refused without good cause, the insured shall have recourse to the courts.

55.2. Insureds may not request a cash disbursement under clause 1a) above if they:

a) Continue to be covered under a compulsory scheme against the risks of old age, death and disability under the laws of a European Union member state;

b) Continue to be covered under a compulsory scheme against the risks of old age, death and disability under Icelandic or Norwegian law;

c) Live in Liechtenstein.

A) and b) apply only in the amount of the retirement savings accrued under Art. 15 BVG (Art. 5 and 25f FZG).

55.3. Any request for a cash disbursement must be submitted to the Foundation together with supporting documents. The Foundation will verify entitlement and may request further evidence from the insured as needed.

55.4. Withholding tax may be deducted.

56. Continued coverage

56.1. After the termination of the pension relationship, the insured shall continue to be covered against death and disability risks, as defined under these Regulations, until they take up employment with a new employer or are covered by a new pension scheme for a maximum of one month from the date of exit without having to effect payment of a relevant risk premium to cover the risk of death and disability.

VIII. ORGANISATION AND RECAPITALISATION OF THE FOUNDATION

57. ORGANISATION, co-administration principle

57.1. The Foundation's organisation and administration based on equal representation is set out by the Board of Trustees in its Organisational Guidelines and Regulations.

58. Investment of the Foundation's assets

58.1. The principles of the Foundation's investment policy are set out by the Board of Trustees in its Investment Regulations.

59. Election of employee representatives

59.1. The provisions for electing employee representatives to the Board of Trustees is set out by the Board of Trustees in its Electoral Regulations.

60. Underfunding

60.1. If an audit conducted by a certified pension fund actuary shows that the Foundation is underfunded, the Board of Trustees shall adopt measures to redress the funding shortfall. The pension fund actuary shall submit to the Board of Trustees a recapitalisation plan detailing a set of actions and the expected length of time until the funding shortfall is redressed.

60.2. Actions to redress funding shortfalls may include but are not limited to:

Shortfall reduction contributions

The Foundation is authorised to require employers and insureds to make (non-refundable) shortfall reduction contributions to redress an underfunding position.

Subject to the limitations imposed by law, the Foundation may also require pension recipients to make shortfall reduction contributions where they have received discretionary benefit increases within the preceding ten years. However, such contributions must not reduce the pension recipients' benefits to a level below their initial benefit amount plus any statutory increases they have received in the meantime.

Minimum interest rate

Subject to the limitations imposed by law, the Foundation is authorised to set a rate of interest below the BVG interest rate while the scheme is underfunded where the levy of shortfall reduction contributions proves inadequate.

The interest rate used in calculating minimum termination benefits pursuant to Art. 17 FZG may be reduced to the same extent.

The interest rate for a given calendar year may be set after the financial results for that year are available.

Reduction of prospective benefits

The Foundation may elect to reduce future, i.e. prospective, benefits to the extent that they exceed the statutory minimum, either indefinitely or for a fixed period of time.

Suspension of early withdrawal facility

If the scheme shows a funding shortfall, the Board of Trustees may impose time or amount restrictions on the early withdrawal of monies to repay an existing mortgage.

60.3. In the event of underfunding, the employer may make deposits into a separate reserve account for employer's contributions whose use has been waived, and also transfer funds from the regular employer contribution reserve to such account.

Funds deposited in this manner may not exceed the amount of the underfunding and shall accrue no interest. They may not be used for benefit payments, be pledged, or ceded or reduced in any other way.

Once the underfunding has been eliminated completely, the employer contribution reserve for which use has been waived must be dissolved and transferred to the regular employer contribution reserve. Early release of part of the reserve is not permitted.

60.4. The Foundation shall inform the supervisory authorities of any underfunding and decisions taken with regard to recapitalisation measures. The recapitalisation plan drawn up by the pension fund actuary must be submitted to the supervisory authorities for information purposes. Reporting must take place at the latest upon preparing the annual financial statements in which the underfunding is shown.

60.5. The Board of Trustees shall prepare a circular letter to be sent to the insureds and pension recipients setting out the full details of the funding shortfall, the measures taken and the relevant implications. Throughout the period of underfunding, the Board of Trustees shall prepare such a circular letter not less than once a year following presentation of the annual financial statements.

60.6. The pension fund actuary shall review the effectiveness of the recapitalisation measures resolved by the board on an annual basis. As part of conducting such reviews, the pension actuary shall prepare an annual report to be submitted to the supervisory authorities. If, during the review, it is established that the objective defined in the recapitalisation plan has not been achieved, the Board of Trustees shall determine what further measures are to be taken to eliminate the funding shortfall.

IX. FINAL PROVISIONS

61. Place of performance

61.1. To enable the Foundation to settle claims, claimants shall provide details of a bank or postal account held in their name either in Switzerland or an EU or EFTA member state. In the absence of such an account, the place in which the Foundation's registered office is located shall be the place of performance.

62. Place of jurisdiction

62.1. The place of jurisdiction shall be the defendant's registered office or place of residence in Switzerland or the location of the company at which the insured was employed.

63. Assignment and pledging

63.1. Entitlements to benefits of the Foundation may not be assigned or pledged before they fall due. The foregoing is without prejudice to the financing of home ownership, or any transfer to spouses of shares in retirement savings in the event of divorce.

64. Limitation of claims

64.1. Benefit claims are not subject to any limitation period, provided that the insured is still a member of the Foundation at the time the insured event occurs.

64.2. Claims relating to periodical contributions and benefits shall become time-barred after five years and other claims after ten years. The relevant provisions of the Swiss Code of Obligations shall apply accordingly.

65. Partial liquidation

65.1. The procedure applicable to partial liquidation is set out in separate regulations.

66. Relationship to EU law

66.1. Where applicable, the following provisions take precedence for insureds and members of their families in relation to benefits falling within the scope of these Regulations:

- The provisions of the Agreement between the European Community and its Member States, of the one part, and the Swiss Confederation, of the other, on the free movement of persons and services dated 21 June 1999 (Agreement on the Free Movement of Persons and Services) as this relates to the coordination of social security systems; and
- The provisions of the Agreement dated 21 June 2001 amending the Convention Establishing the European Free Trade Association of 4 January 1960 (revised EFTA Convention) as this relates to the coordination of social security systems.

67. Omissions in the Regulations

67.1. If any provision, or provisions, regarding specific situations have been omitted from these Regulations, the Board of Trustees shall adopt provisions that approximate to the intention of the Foundation.

68. Amendments to the Regulations

68.1. The Board of Trustees shall amend the Regulations from time to time, in particular to reflect changes to statutory and regulatory provisions. Any amendments to these Regulations must be notified to the supervisory authorities.

69. Transitional provisions

69.1. If any amendment to the Regulations results in an increase in benefits, the new higher level of benefits applies only to insureds who are or were 100% fit for work at the time the amendment was adopted as well as during the preceding twelve months. Exceptions are the increases in benefits due to the transitional provisions from section69.3.

69.2. The regulations in effect at the time of any occurrence of a new insured event shall apply in respect of any prospective survivors' benefits accruing to employees who are unable to work or are recipients of a disability pension or retirement pension. Where a retirement pension recipient taken over by PFS Vorsorgestiftung II as per 31 December 2018 voluntarily elected a reduced conversion rate at the time of their retirement in order to receive a higher prospective entitlement to a spouse's pension benefit that is 10 percentage points higher, this increase by 10 percentage points shall remain in effect in any new insured event.

69.3. For the adjustment of current disability pensions of pensioners who on 1 January 2022 have not yet reached the age of 55 or for the non-adjustment of current pensions of pensioners who have reached the age of 55, the transitional provisions laid down in the BVG for the amendment of 19 June 2020 (further development of the IV) apply.

70. Entry into force

70.1. These Regulations were adopted by the Board of Trustees on 15 December 2023. They shall enter into force on 01 January 2024. It replaces the regulations, which were approved by the Foundation Board on 14 December 2021 and entered into force on 1 January 2022.

70.2. These Regulations shall not apply to retirement, survivor's and disability pensions for which entitlement accrued prior to the date on which these Regulations came into force. Excluded from this are adjustments to changes to the statutory and regulatory provisions (in particular adjustments in the area of divorce law and the reduction provisions), as well as the corresponding provisions in accordance with the transitional provisions from section 69.3.