

## Regulations on benefits

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## Definitions

Active, active insured	Insured persons who by virtue of an employment activity are insured with the pension scheme and who have not yet submitted a pension claim.
Retirement savings	Sum of all savings contributions and deposits brought into the pension scheme, including interest, which the insured person and the employer pay into the second pillar during the course of their professional career.
Affiliation contract	Contract between a company and the pension scheme under which the company joins an existing pension scheme.
Beneficiary appointment	Regulatory and extra-mandatory option to appoint third parties who have no claim to statutory benefits as beneficiaries for benefits (lump-sum death benefit; pensions).
Entry threshold	Statutory or regulatory amount from which salaries have to be insured by law.
Limiting amount	Statutory or regulatory amounts from which and to which salaries have to be insured by law.
Coordination deduction	Salary component that is not insured.
Minimum interest rate	Rate of interest to be applied to the LOB retirement savings as determined by the Federal Council every year.
Mandatory occupational benefits insurance	Minimum benefits which a pension scheme has to provide by law.
Passive, passive insured	Insured persons who have submitted a pension claim.
Regulatory retirement age	Reference age pursuant to the OASI (men: 65 / women: 64 for women born in 1960; 64 $\frac{3}{12}$ for those born in 1961; 64 $\frac{6}{12}$ for those born in 1962; 64 $\frac{9}{12}$ for those born in 1963; 65 for those born in 1964 and later).
Pension conversion rate	Rate that is used to convert the accrued retirement savings into an annual pension.
Lump-sum death benefit	Once-off, extra-mandatory benefit which the pension scheme pays to the beneficiaries upon the death of an insured person.
Extra-mandatory occupational benefits insurance	Regulatory provisions that go further than the statutory provisions.
Pension scheme/pension fund	Provider of the occupational benefits insurance.
Pension plan	Plan defining the specific benefits and contributions of the insured persons working for the affiliated company.

## **1. General provisions**

### **Art. 1 Name and purpose**

1. The pension scheme called "Abendrot Foundation" has its registered office in Basel. It has been entered in the register for occupational pension providers.
2. The purpose of the Abendrot Foundation is to provide occupational benefits insurance in accordance with the Federal Act on Occupational Retirement, Survivors' and Disability Pension Plans (LOB).

### **Art. 2 Scope of the regulations**

1. The rights and obligations of the insured persons and persons entitled to benefits are governed by these regulations.
2. The contributions and benefits are governed by the pension plan drawn up for each affiliate.

### **Art. 3 Affiliation contract and employers**

1. The affiliation contract sets out the rights and obligations of the affiliated employers.
2. The Abendrot Foundation maintains a separate affiliation contract and separate pension plans for each affiliate.

## **2. Enrolment and insurance cover**

### **Art. 4 Insured persons**

1. All persons associated with the affiliated company who meet the enrolment conditions set out in the relevant pension plan are insured.
2. Persons who are incapable of working when joining the Abendrot Foundation or who receive a partial pension from the federal disability insurance are insured for their remaining earning capacity.
3. Employees with a fixed-term employment contract for a maximum period of three months are not insured. If the employment relationship is extended for longer than this period, the employee has to be insured from the date on which the extension is agreed.
4. Persons who receive a full pension from the federal disability insurance are not insured.

### **Art. 5 Beginning and end of insurance**

1. The employee is admitted to the insurance from the date on which the employment contract begins or from the date on which a fixed-term employment contract is extended.
2. The insurance covers
  - the risks of death and disability from 1 January of the year following the insured person's 17<sup>th</sup> birthday;
  - retirement benefits from 1 January of the year following the the year in which the insured person reaches the age defined in the affiliation contract.
3. Insurance cover ends upon termination of the employment relationship, when the employee stops working or when the employee reaches the regulatory retirement age. The insured person remains insured against the risks of death and disability for one month after the termination of the employment relationship, unless a new pension relationship is established.
4. If incapacity for work occurs, insurance cover for new risks ends when the obligation to continue paying the salary ends, but at the latest when the employment relationship is terminated.
5. Insured persons who continue to work after reaching the regulatory retirement age can apply for the continuation of their retirement cover until they stop working, but until the age of 70 at the latest; however, continued cover is not possible for the risks of death and disability.

6. Insured persons who leave their current pension fund but do not join another pension scheme although they still earn an income can apply to the Abendrot Foundation for the uninterrupted continuation of their occupational benefits insurance under their current pension plan. Permission for the voluntary continuation of the insurance can be made conditional upon the results of a health check. The Abendrot Foundation always decides about admission at its own discretion.

**Art. 5a Continuation of insurance upon leaving the Abendrot Foundation after the age of 58 (notice of termination by employer)**

1. Insured persons who leave the mandatory insurance after turning 58 because the employment relationship was terminated by the employer or cancelled under a termination agreement initiated by the employer can request the continuation of their full insurance cover (retirement savings and risk insurance) or risk insurance only at the same level as before and in accordance with their current pension plan.
2. The insured person must inform the Abendrot Foundation of the request for continuation of insurance cover in writing, enclosing proof that the employer has terminated the employment relationship, by 30 days after the end of the employment relationship at the latest.
3. The applicable annual salary and percentage of working hours as at the date of notice of termination apply to the continuation of insurance cover.
4. The insured person has to pay the full regulatory employee and employer contributions (incl. administrative costs) as well as any rehabilitation contributions (employee's share only). Contributions are payable monthly, at the end of every month.
5. On 1 January of a calendar year, the insured person can apply for the discontinuation of the retirement savings and continuation of risk cover only, or the inclusion of retirement savings again. If Abendrot Foundation does not receive written notification by 30 November at the latest, the current insurance cover will apply for the next year.
6. If the insured person joins a new pension scheme, at least the amount that can be used to purchase the full regulatory benefits will be transferred as a termination benefit. If at least one-third of the termination benefit remains with the Abendrot Foundation, insurance cover will be continued. The applicable annual salary and percentage of working hours as at the date of notice of termination will be reduced proportionately to the transferred termination benefit.
7. Missing contributions can still be purchased during the continuation of insurance cover, provided that the conditions according to Art. 71 of the regulations on benefits are fulfilled. The last pensionable salary savings before the beginning of continued insurance applies for the calculation of the maximum potential purchase amount. Any reduction pursuant to Art. 5a para. 6 of the regulations on benefits will be taken into account.
8. Continued insurance ends
  - a. Upon request of the insured person (at the end of a month),
  - b. When an insured event occurs,
  - c. When the insured person joins a new pension scheme and more than two-thirds of the termination benefit is required for purchasing the full regulatory benefits from the new pension scheme,
  - d. If the applicable salary falls below the entry threshold,
  - e. If the entry threshold is increased to more than the applicable salary,
  - f. If contributions are outstanding following notice of termination by the Abendrot Foundation, at the end of the month for which the last contribution was paid,
  - g. If the former employer affiliates with a new pension scheme, on the date on which the group of persons insured under an existing employment relationship transfers to the new pension scheme (continuation of insurance will be assigned to the new pension fund),
  - h. At the latest when the insured person reaches the regulatory retirement age.

9. The retirement benefit must be drawn in the form of a pension if the continuation of insurance has lasted for more than two years. Early withdrawal or pledging of benefits to finance residential property is no longer possible after this period.
10. Semi-retirement pursuant to Art. 23 of the regulations on benefits and continued insurance past the regulatory retirement age pursuant to Art. 25 of the regulations on benefits are excluded. The provisions of these regulations on benefits apply mutatis mutandis in all other respects.

#### **Art. 6 Health check upon enrolment**

1. All insured persons admitted to the Abendrot Foundation have to submit an enrolment and health declaration.
2. The insurance contract for admission to the extra-mandatory insurance is concluded with the submission of the enrolment and health declaration and the written confirmation of enrolment by the Abendrot Foundation. Until this written enrolment confirmation is issued by the Abendrot Foundation, the insurance cover is limited to the mandatory benefits.
3. Insurance cover for extra-mandatory benefits pursuant to the pension plan only applies if the person to be insured is fully capable of working when insurance cover begins and this fact is confirmed to the Abendrot Foundation in writing.

#### **Art. 7 Health proviso and breach of obligation to notify**

1. Based on the information provided in the enrolment and health declaration, the Abendrot Foundation can make insurance cover for extra-mandatory benefits conditional upon the outcome of a medical enquiry or a health check. The Abendrot Foundation will pay the resulting costs.
2. The Abendrot Foundation is permitted to apply a health proviso for extra-mandatory benefits for prior illnesses, physical defects and accident injuries. The proviso can apply for a maximum period of five years. The period of any proviso applied by a previous pension scheme must be deducted from the new proviso period.
3. If a pension claim or incapacity for work occurs during the proviso period that is related to an illness, physical defect or accident injury subject to a benefit proviso, only the mandatory benefits will be paid for the entire benefit period. The claim to the waiver of contribution payments pursuant to Art. 66 of the regulations on benefits remains in place for the statutory contribution payments on the salary subject to the compulsory insurance obligation. The conditions for entitlement to survivors' benefits in the event of death are governed by these regulations. The benefit equals the amount of the statutory widow's or widower's pension or orphan's pension. At all times, at least the lump-sum death benefit pursuant to Art. 35 and Art. 36 of the regulations on benefits is paid.
4. No benefits are paid if the claim refers to an illness, a physical defect or accident injury that had already caused incapacity for work before the beginning of the insurance relationship. If the insured person dies because of the pre-existing cause and no pension scheme is obliged to pay benefits, a lump-sum death benefit pursuant to Art. 35 and Art. 36 of the regulations on benefits will be due.
5. If pre-existing illnesses, physical defects or accident injuries are not declared to the Abendrot Foundation in the enrolment and health declaration, the Abendrot Foundation can withdraw from the contract for extra-mandatory insurance within three months of finding out about this, even if the undeclared condition does not lead to a claim. In this case, only the mandatory benefits will be paid for the entire benefit period.

## **Art. 8 Health proviso in the event of amendments to pension plan, salary increases and purchases**

1. If the pension benefits increase following amendments to the pension plan, a salary increase or a purchase, the Abendrot Foundation can require the insured person to submit a new health declaration and can apply a new proviso to the additional benefits, if necessary. Previously accrued benefits, however, are guaranteed.
2. If a new health declaration is requested, enrolment for the (higher) additional benefits arising from the new pension plan, new salary or purchase is only established by the issue of the written confirmation of enrolment by the Abendrot Foundation. Until this written enrolment confirmation is issued, the insurance cover is limited to the previously accrued benefits. In all other respects, Art. 7 para. 5 of the regulations on benefits applies *mutatis mutandis*.
3. If incapacity for work has already occurred, the insured benefits when the incapacity for work began remain in place.

## **3. Applicable and pensionable salary**

### **Art. 9 Applicable salary**

1. The applicable salary for the pension relationship is the annual salary notified in advance by the employer; deviating provisions of the pension plan are reserved.
2. The applicable salary does not include occasional salary components such as long service awards, gratuities, settlements, bonuses and other salary components that are excluded from the applicable salary by the pension plan.
3. Changes in salary of more than ten percent must be immediately notified to the Abendrot Foundation and lead to the adjustment of the pensionable salary.
4. If an employer fails to notify the applicable salary, the last annual salary as notified is regarded to be the applicable salary.

### **Art. 10 Temporary reduction of applicable salary**

1. If the annual basic salary temporarily decreases due to illness, accident, unemployment, maternity, paternity, adoption or similar reasons, the previous pensionable salary will continue to be insured for as long as the employer is obliged to continue payment of the salary in accordance with Art. 324a of the Swiss Code of Obligations (SCO).
2. If daily benefits are paid, the previous pensionable salary will continue to be insured for as long as the obligation to continue salary payments applies in accordance with Art. 324a SCO or maternity leave in accordance with Art. 329f SCO, paternity leave in accordance with Art. 329g SCO, carer's leave in accordance with Art. 329i SCO or adoption leave in accordance with Art. 329j SCO is granted. However, the insured person can request the reduction of the pensionable salary to the amount of the daily benefits.
3. In the event of incapacity for work owing to illness and accident, the insured person is entitled to the waiver of contribution payments after a waiting period of three months.
4. Insured persons taking unpaid leave can request that the previous pensionable salary continues to be insured for a maximum period of twelve months. Insurance cover for the risks of death and disability as a result of an accident is only provided if the insured person has taken out interim accident insurance that covers non-occupational accidents.

### **Art. 11 Pensionable salary**

1. The pensionable salary is defined in the pension plan. This determines the entry threshold, the coordination deduction and the maximum pensionable salary (limiting amounts).

2. The pensionable salary is the basis for the calculation of contributions and benefits.
3. The pensionable salary always equals at least 1/8th of the maximum retirement pension payable under the Federal Old Age and Survivors' Insurance (OASI).
4. The pensionable salary is recalculated every year on 1 January.

#### **Art. 12 Applicable salary for partial incapacity for work and partial disability**

1. If an insured person becomes partially disabled, the pensionable salary that applies when the disability begins is split into an (active) part equalling the remaining working capacity and a (disabled) part equalling the level of disability. The salary to be split into two parts equals the insured person's salary immediately before the disability occurred.
2. The disabled part of the salary always remains the same and is decisive for determining the disability benefits.
3. The active part of the salary is subject to annual salary adjustments. The limiting amounts defined in the pension plan pursuant to Art. 11 para. 1 of the regulations on benefits are adjusted. However, the pensionable salary always equals at least 1/8th of the maximum OASI retirement pension.
4. If the insured person is partially incapable of working when admitted to the insurance, the applicable salary equals the agreed basic salary.

#### **Art. 13 Applicable salary for part-time employees**

1. The pensionable salary for part-time employees is defined by the pension plan.
2. Part-time employees who have one or more other employment contracts and whose total annual salary exceeds the entry threshold can be admitted to the insurance upon request if the pension plan makes provision for this option. Only the salary earned from the affiliated employer is insured.

#### **Art. 14 Continued insurance for salary reductions**

1. Insured persons whose salary is reduced by one-half at the most after the age of 58 can upon request continue their pension cover for the previous pensionable salary until they reach the regulatory retirement age.
2. The request for continued insurance cover must be submitted to the Abendrot Foundation at the latest 30 days after receipt of the new benefit statement. The insured person has to finance the employer as well as the employee contributions, but the employer may choose to make a contribution.
3. Continued insurance of the previous pensionable annual salary is not possible if the insured person receives retirement benefits from the pension fund (semi-retirement).

#### **Art. 15 Pensionable income of self-employed persons**

1. Self-employed persons can be insured until the earliest possible date for early retirement under the pension plan for their employees or with a professional association affiliated with the Abendrot Foundation. Retroactive enrolment is not possible.
2. They can base their insurance cover on their expected annual income.
3. The Abendrot Foundation is permitted to request additional documents pertaining to the expected annual income.
4. If the insured person does not have voluntary insurance for the consequences of disability or death as a result of an accident, only the mandatory LOB benefits will be paid for the entire benefit period.
5. A benefit proviso for the risks of death and disability can be applied for a period of three years.
6. The other regulatory provisions apply analogously.

#### **Art. 16 Benefit statement**

1. On enrolment with the pension fund, insured persons receive a benefit statement. A new benefit statement is issued whenever the benefits change.
2. The benefit statement is issued annually and contains the personal data applicable to the insured persons.
3. The benefit statement also confirms the amount of the accrued savings capital. All projected benefits pursuant to the pension plan are also set out in the benefit statement.
4. The payment of benefits is governed by the pension plan.

### **4. Pension benefits**

#### **4.1 General**

##### **Art. 17 Benefits**

1. The Abendrot Foundation pays the benefits set out in the pension plan.
2. The mandatory benefits pursuant to the LOB are always paid.

##### **Art. 18 Benefit categories**

Subject to the pension plan, the Abendrot Foundation pays the following benefits

- a. upon reaching the regulatory retirement age pursuant to Art. 19 et seq. of the regulations on benefits
  - lifelong retirement pension
  - pensioner's child's pension
- b. in the event of death pursuant to Art. 27 et seq. of the regulations on benefits
  - before reaching the regulatory retirement age
    - surviving partner's pension
    - lump-sum death benefit
    - orphan's pension
    - childcare pension
  - after reaching the regulatory retirement age
    - surviving partner's pension
    - orphan's pension
- c. in the event of disability pursuant to Art. 42 et seq. of the regulations on benefits
  - disability pension
  - disabled person's child's pension
  - waiver of contributions

#### **4.2 Retirement benefits**

##### **Art. 19 Retirement benefits**

1. Insured persons who have reached the regulatory retirement age are entitled to retirement benefits. The pension plan may contain deviating provisions.
2. Entitlement to a lifelong retirement pension takes effect on the first day of the month after the insured person reached the regulatory retirement age.

##### **Art. 20 Amount of retirement pension**

1. The amount of the annual retirement pension is determined by the accrued retirement savings at the regulatory retirement age and the pension conversion rate. The mandatory retirement pension is guaranteed.

2. The retirement savings comprise the retirement savings, vested benefits brought into the pension fund, once-off contributions by the employer, purchases by the insured person, other deposits and accrued interest, and are reduced by advance withdrawals to finance residential property, partial lump-sum withdrawals and outgoing payments following a divorce.
3. The retirement pension may amount at most to four times the maximum OASI pension at the time of retirement. Any component of the retirement savings that is not required due to this limitation is paid out as a lump sum.
4. At the time of retirement an active insured person can set the spouse's pension at 80 percent or 100 percent of the insured retirement pension instead of 60 percent. This option can only be exercised if the reduced retirement pension is higher than the minimum LOB benefit. This decision is irrevocable. The spouse's pension selected for the first stage of semi-retirement also applies for the next stages. The conversion rate for the retirement pension is reduced correspondingly by 0.5 to 0.8 percentage points.
5. The Foundation Board determines the interest rate for the retirement savings every year, taking account of the minimum rate set by the Federal Council.
6. The pension conversion rate is set by the Foundation Board and amounts to 5.6 percent at the regulatory retirement age. If insurance cover is continued past the regulatory retirement age under the assumption of a contract, Art. 25 para. 5 of the regulations on benefits applies. The statutory benefits are always guaranteed.

#### **Art. 21 Child's pension**

1. If a person drawing a retirement pension has children younger than 18, a child's pension is paid for each eligible child.
2. Eligible children are the children who would be entitled to an orphan's pension pursuant to Art. 39 of the regulations on benefits.
3. The child's pension equals 20 percent of the current retirement pension per eligible child. The total for child's pensions, however, may not exceed the maximum OASI retirement pension at the time the benefit begins.
4. The claim to a child's pension lapses when the child turns 18, when entitlement to an orphan's pension begins, or upon the death of the child.
5. The claim to a child's pension applies until the 25<sup>th</sup> birthday at the latest if the child is still pursuing basic training or is at least 70 percent disabled in accordance with the DI and is not in gainful employment.

#### **Art. 22 Early retirement**

1. Early retirement can be taken at the earliest from the age of 58.
2. The amount of the retirement pension is calculated on the basis of the accrued retirement savings pursuant to Art. 20 para. 2 of the regulations on benefits.
3. The pension conversion rate is reduced by 0.2 percentage points per year of retirement before the regulatory retirement age pursuant to Art. 19 para. 1 of the regulations on benefits. Retirement during the course of a calendar year is calculated on a pro rata basis.
4. The amount of the pensioner's child's pension is determined by the reduced retirement pension.

#### **Art. 22a OASI bridging pension**

1. Insured persons who take early retirement can take out an OASI bridging pension to compensate for the missing OASI retirement benefits.
2. The OASI bridging pension is paid from the same date as the retirement pension. It expires at the end of the period set out in Art 22a para. 3 of the regulations on benefits. If the pensioner dies before the end of this period, the OASI bridging pension for the remaining term is paid to the spouse

- or life partner who is eligible pursuant to Art. 28 and 29 of the regulations on benefits. If the pensioner is not survived by such persons, the OASI bridging pension will lapse.
3. The amount and duration of the annual OASI bridging pension can be determined by the insured person themselves. It may not exceed the maximum OASI retirement pension and is paid until the insured person reaches the OASI reference age at most.
  4. The OASI bridging pension is financed with the retirement savings by reducing them by the sum of the pension payments to be paid, without interest.
  5. The required amount pursuant to Art 22a para. 4 of the regulations on benefits can be contributed in full or in part at the time of early retirement.
  6. The OASI bridging pension is not increased if the OASI retirement pension is increased.

#### **Art. 23 Semi-retirement**

1. Upon reaching the age for early retirement, the insured person can take semi-retirement, provided that at least 20 percent of the retirement benefits is withdrawn.
2. The accrued retirement savings at the time of semi-retirement are split accordingly. The calculation of the retirement pension pursuant to Art. 20 para. 1 of the regulations on benefits is based on the inactive component. The continued contributions until full retirement or withdrawal from the insurance are credited to the active component.
3. The percentage of the retirement benefits withdrawn before the regulatory retirement age may not exceed the percentage by which the salary is reduced at the time of early retirement.

#### **Art. 24 Purchase to eliminate benefit reductions**

1. From the age of 25, insured persons can make additional purchases to partially or fully eliminate the reductions caused by early retirement.
2. The maximum purchase amount is calculated in compliance with actuarial principles on the basis of the targeted retirement age. If the insured person does not take early retirement in spite of making such purchases, the regulatory benefit target may only be exceeded by five percent at most. When it is exceeded by more than five percent, the employee and the employer no longer pay for retirement contributions. The conversion rate that applies at this time is frozen, unless a general regulatory reduction in the conversion rate takes effect. The retirement savings also do not earn any further interest.
3. Amounts exceeding the benefit target due to changes to the percentage of the employment rate or deposits due to the division of pension assets following a divorce are not taken into account. The insured retirement pension at the regulatory retirement age is determined by the maximum pensionable salary for the last five years.

#### **Art. 25 Continued insurance past regulatory retirement age**

1. Insured persons who continue to work after reaching the regulatory retirement age can apply for continuation of their retirement provision until they stop working, but until the age of 70 at the latest. Alternatively, they can defer the withdrawal of their retirement benefits until they stop working, but at the latest until the age of 70.
2. The amount of the retirement pension is calculated in accordance with Art. 20 para. 1 of the regulations on benefits.
3. The pension conversion rate is increased by 0.2 percentage points per year by which retirement is deferred. Retirement during the course of a calendar year is calculated on a pro rata basis.
4. If permanent incapacity for work occurs during the period of continued insurance, the continued insurance will end when the obligation to continue paying the salary ends, and a retirement pension based on the accrued retirement savings and calculated in application of the pension conversion rate pursuant to Art. 25 para. 3 of the regulations on benefits will be paid. In the event of death, the

survivors' benefits will be calculated on the assumption that the retirement benefits would have fallen due on the date of death. A previously submitted application for a lump-sum retirement benefit (Art. 26 of the regulations on benefits) will remain valid. Entitlement to the lump sum is governed by Art. 36 of the regulations on benefits.

5. If a person who has reached the regulatory retirement age becomes insured with the Abendrot Foundation after the assumption of a contract, the pension conversion rate applied to this age group by the transferring pension scheme will apply to this person, but at most the rate applied by the Abendrot Foundation pursuant to Art. 20 para. 6 of the regulations on benefits. Any increase in the pension conversion rate when a pension is drawn from the Abendrot Foundation at a later date is governed by Art. 25 para. 3 of the regulations on benefits.

#### **Art. 26 Lump-sum withdrawal**

1. An insured person may request the payment of the retirement benefits in the form of a lump sum instead of a retirement pension. A maximum of three stages is permitted for a lump-sum withdrawal.
2. A written request to make a lump-sum withdrawal must be submitted at least two months before retirement. This declaration can be revoked until two months before the date of retirement.
3. A lump-sum withdrawal reduces the claims to retirement pensions, pensioner's child's pensions and surviving partner's pensions by the amount of the withdrawal. If the full lump sum is withdrawn, the insured person will no longer have any claims against the Foundation.
4. If a disability claim has occurred, a lump sum can only be drawn if the request was submitted before the incapacity for work underlying the disability began.
5. Art. 78 of the regulations on benefits applies to married insured persons.

#### **4.3 Survivors' benefits**

##### **Art. 27 Conditions**

1. The claim to death benefits arises if the insured person
  - a) was insured at the time of death or when the incapacity for work, the cause of which led to death, began or
  - b) was at least 20 percent but not more than 40 percent disabled as the result of a congenital defect at the time when starting working and was insured for at least 40 percent at the time that the level of disability, the cause of which led to death, increased, or
  - c) became disabled while still a minor and was therefore at least 20 percent but not more than 40 percent disabled at the time when starting working and was insured for at least 40 percent at the time that the level of disability, the cause of which led to death, increased, or
  - d) received a retirement or disability pension from the Abendrot Foundation at the time of death.
2. The pension begins on the date of death or after expiry of the continued payment of the full salary. If the deceased insured person had already drawn a regulatory pension, the surviving partner's pension begins at the beginning of the month following the date of death.

##### **Art. 28 Spouses and registered partnerships**

1. The surviving partner's pension is paid to the surviving spouse for married insured persons and to the surviving partner for registered partnerships.

##### **Art. 29 Unmarried life partner**

1. For unmarried couples, the surviving partner's pension is paid to the beneficiary, unless they receive a surviving spouse's pension or a current surviving partner's pension from another pension claim of a pillar 2 pension fund, and
  - a) are responsible for the maintenance of one or more joint children, or

- b) have lived in the same household as the deceased person in a domestic partnership without interruption for at least the last five years before the insured person's death.
- To ensure eligibility, the insured person must submit the completed, dated and signed beneficiary declaration provided by the Abendrot Foundation to the Abendrot Foundation during their lifetime.
2. Same-sex couples are treated on the same footing as heterosexual couples.

#### **Art. 30 Amount of the surviving partner's pension**

1. The amount of the surviving partner's pension depends on the pension plan.
2. If a claim for disability has occurred, the surviving partner's pension equals 60 percent of the projected retirement pension.
3. After retirement or upon reaching the regulatory retirement age, the surviving partner's pension equals 60 percent of the current retirement pension.

#### **Art. 31 Pension reduction**

1. If the insured person suffered from an illness at the time of marriage or the appointment of beneficiaries in accordance with Art. 29 of the regulations on benefits which led to their death, and the insured person should have been aware of this illness, a pension equalling the mandatory widow's or widower's pension at most is paid out, provided that the marriage or life partnership had lasted for less than one year before the death of the insured person.
2. If the insured person marries or appoints a beneficiary pursuant to Art. 29 of the regulations on benefits after taking early retirement or reaching the regulatory retirement age, a pension equalling the mandatory widow's or widower's pension is paid out.

#### **Art. 32 Childcare pension**

1. If an insured person was a single parent and neither a surviving partner's pension nor a divorced spouse's pension falls due, the child or children are entitled to a single childcare pension. This also applies if both parents die at the same time.
2. The claim arises together with the claim to an orphan's pension and ends when the orphan's pension lapses.
3. The amount of the childcare pension is the same as the surviving partner's pension.

#### **Art. 33 Pension for divorced spouse**

1. The following provisions apply to both marriages and registered partnerships.
2. After the death of an insured person, their divorced spouse is entitled to a divorced spouse's pension equalling the mandatory LOB benefits, provided that the marriage had lasted at least ten years and the divorced spouse was awarded a pension pursuant to Art. 124e para. 1 or Art. 126 para. 1 of the Swiss Civil Code in the divorce decree.
3. There is an entitlement to survivors' benefits for as long as the pension pursuant to Art. 33 para. 2 of the regulations on benefits would have been due.
4. The pension is reduced by the amount that exceeds the claim under the divorce decree. This includes any benefits from other domestic and foreign social insurance schemes, in particular the OASI, DI, AI and MI. Survivors' benefits from the OASI are taken into account only insofar as they are higher than the claim to a disability pension from the DI or a retirement pension from the OASI.
5. The legal dissolution of a registered partnership is treated the same as a divorce.
6. Divorced spouses who were awarded a pension or a lump-sum settlement to finance a lifelong pension prior to 1 January 2017 are entitled to benefits pursuant to the version of Art. 20 BVV 2 that was valid until 31 December 2016.

### **Art. 34 End of surviving partner's pension**

1. The pension lapses
  - upon the death of the person entitled to a pension,
  - upon marriage or remarriage or the registration of a new partnership.
2. When the surviving partner marries or remarries or registers a new partnership, they are entitled to a lump-sum settlement amounting to three annual pensions.
3. When taking up a life partnership with a joint place of residence, the pension is reduced to the amount of the mandatory surviving spouse's pension after two years.

### **Art. 35 Lump-sum death benefit**

1. Upon the death of an active insured person, a claim arises to the payment of a lump-sum death benefit.
2. The amount of the lump-sum death benefit equals the accrued retirement savings at the end of the month of death. The lump-sum death benefit is reduced by the present value of all survivors' benefits that are due, without reduction, whereby claims to orphan's and childcare pensions apply until the age of 25.
3. For pension plans offering salary-dependent survivors' benefits, purchases (excluding interest) made during the last three years before enrolment and during the pension relationship with the Foundation are not included in the calculation of the accrued retirement savings pursuant to para. 2 and are paid out separately. As a first priority, lump-sum withdrawals pursuant to Art. 26, advance withdrawals to finance residential property and the transfer of retirement savings during a divorce are deducted from the personal purchases. Except for purchases made during the last three years before joining the Foundation, entry benefits brought into the pension fund from previous pension relationships are not deemed to be purchases.
4. If a disabled person dies within two years of the start of their pension as determined by the DI, there will be an entitlement to the payment of a lump-sum death benefit. The amount of this lump-sum death benefit is 50 percent of the retirement savings at the end of the month in which the person dies, less all disability benefits paid out from when a disability pension was first paid until the time of the person's death, and the present value of all survivors' benefits that are due, without reduction, whereby claims to orphan's and childcare pensions apply until the age of 25.
5. An additional lump-sum death benefit insured pursuant to Art. 37 will be paid out separately.

### **Art. 36 Beneficiaries to lump-sum death benefit**

1. The survivors are eligible according to the following ranking, independent of inheritance law:
  - a) the spouse; if none,
  - b) the children or foster children of the deceased insured person who are entitled to an orphan's pension pursuant to Art. 39 of the regulations on benefits; if none,
  - c) the person who lived in a domestic partnership with the deceased insured person at a joint place of residence without interruption for the last five years before the insured person's death, or the person responsible for supporting one or more joint children, or natural persons who were supported to a considerable extent by the insured person for at least the last two years before their death; if none,
  - d) the deceased's other children, parents or siblings (including half brothers and sisters).

To ensure eligibility for benefits pursuant to Art. 36 para. 1 c) of the regulations on benefits, the insured person must submit the completed, dated and signed beneficiary declaration provided by the Abendrot Foundation to the Abendrot Foundation during their lifetime.
2. The insured person can specify in the beneficiary declaration which persons within an eligible group are to be beneficiaries and what proportion of the lump-sum death benefit they are entitled to. The

insured person can change the beneficiary regulations pursuant to Art. 36 para. 1 of the regulations on benefits as follows:

- a) If there are beneficiaries pursuant to Art. 36 para. 1 c) of the regulations on benefits, the insured person may summarise the persons in Art. 36 para. 1 a), b) and c) of the regulations on benefits;
  - b) If there are no beneficiaries pursuant to Art. 36 para. 1 c) of the regulations on benefits, the insured person may summarise the persons in Art. 36 para. 1 a), b) and d) of the regulations on benefits.
3. If the insured person failed to submit a beneficiary declaration to the Foundation, the lump-sum death benefit is split equally between the eligible groups in the order set out in Art. 36 para. 1 of the regulations on benefits. For the deceased's other children, parents or siblings (including half brothers and sisters), the lump-sum death benefit is paid out in the order set out in Art. 36 para. 1 d) of the regulations on benefits, i.e. other children, then parents, then siblings. If there are no other children, parents or siblings, or if the insured person explicitly did not want to appoint them as beneficiaries, the lump-sum death benefit will fall to the Abendrot Foundation.

#### **Art. 37 Additional lump-sum death benefit**

1. An additional lump-sum death benefit can be insured with the pension plan. Art. 36 of the regulations on benefits applies for the appointment of beneficiaries.
2. In cases of disability, if an additional lump-sum death benefit was also insured when the incapacity to work that led to the disability occurred, said benefit will be paid out before statutory retirement age in the event of death if the contract with the affiliated company or, in the case of mergers between companies a subsequent contract with active insurance holders, is still in place at the time of death.

#### **Art. 38 Orphan's pension**

1. If an insured person dies and leaves behind eligible children, an orphan's pension falls due from the date of death or the end of the obligation to continue salary payments.
2. If the insured person had already drawn a regulatory pension, the orphan's pension begins at the beginning of the calendar month following the date of death.

#### **Art. 39 Eligibility for orphan's pension**

Entitlement to an orphan's pension have

- the natural and adopted children,
- foster children as defined in Art. 49 of the Ordinance on the Old Age and Survivors' Insurance,
- stepchildren supported entirely or to a considerable extent by the insured person at the time of death.

#### **Art. 40 Amount of orphan's pension**

1. The amount of the orphan's pension depends on the pension plan.
2. If a disability claim has occurred, the orphan's pension amounts to 20 percent of the projected retirement pension.
3. If the insured person receives a retirement pension, the orphan's pension amounts to 20 percent of the retirement pension.

#### **Art. 41 End of claim to an orphan's pension**

1. The claim to an orphan's pension lapses when the child turns 18.
2. If the child is still pursuing basic training when they turn 18, the claim to a child's pension applies for the duration of this basic training, but at the longest until the 25th birthday.
3. If an orphaned child is at least one-quarter disabled upon reaching the age of 18, the child will remain entitled to an orphan's pension. The pension is determined by the child's level of disability.

- If this is 70 percent or more, the child is entitled to the full orphan's pension, but at the latest until the age of 25.
4. The orphan's pension is also paid out according to the level of disability of the child if a disabled child is older than 18 upon the death of the insured person but was already disabled for the same reason before this age; the pension will be paid until the age of 25 at the latest.

#### **4.4. Disability benefits**

##### **Art. 42 Conditions**

Insured persons entitled to disability benefits include an insured

- a) who is at least 40 percent disabled as defined by the DI and was insured with the Foundation at the time the incapacity for work which led to disability was incurred;
- b) who was at least 20 percent but not more than 40 percent disabled as the result of a congenital defect at the time when they started working and was insured for at least 40 percent at the time that the level of the incapacity for work, the cause of which led to disability, increased;
- c) who became disabled while still a minor and was therefore at least 20 percent but not more than 40 percent disabled at the time when they started working and was insured for at least 40 percent at the time that the level of the incapacity for work, the cause of which led to disability, increased.

##### **Art. 43 Amount of disability pension**

1. The amount of the disability pension is specified in the pension plan. The claim to a disability pension is calculated as a percentage of a full pension on the basis of the insured number of working hours in accordance with Art. 24a LOB:
  - For a level of disability of 70 percent and more, the insured person is entitled to a full pension.
  - For a level of disability between 50 percent and 69 percent, the claim equals the level of disability.
  - For a level of disability of less than 50 percent, the claim is reduced by 2.5 percentage points per percentage of disability, i.e. for a level of disability of 40 percent, the insured person is entitled to a disability pension of 25 percent of a full pension.
  - If the level of disability is less than 40 percent, there is no entitlement to a disability pension.
2. The disability pension as determined is increased, reduced or cancelled if the level of disability for the occupational benefits insurance changes by at least five percentage points as the result of a revision by the federal disability insurance.

##### **Art. 44 Beginning of benefits**

1. The entitlement to disability benefits begins when the federal disability insurance starts paying benefits.
2. If the insured person still receives a full salary at this time or has further claims against a daily allowance insurance, the beginning of benefits will be deferred.
3. According to the pension plan, benefit payments can be deferred for 24 months from the date of occurrence of the incapacity for work giving rise to a pension claim.
4. If the pension scheme has to pay advance benefits, the statutory benefits are paid.
5. The benefits are calculated on the basis of the pensionable salary at the time the incapacity for work occurs.

##### **Art. 44a Temporary discontinuation of pension payments**

The Abendrot Foundation will temporarily discontinue the payment of the disability pension if the federal disability insurance office has decreed such a discontinuation based on Art. 52a ATSG.

### **Art. 45 Duration of disability pension**

- The claim to disability benefits lapses
- if the level of disability is less than 40 percent,
  - upon reaching the regulatory retirement age, or
  - upon death.

### **Art. 46 Disabled person's child's pension**

1. Every child of the insured person who would be entitled to an orphan's pension pursuant to Art. 39 of the regulations on benefits is entitled to a disabled person's child's pension.
2. The amount of the disabled person's child's pension is specified in the pension plan.

### **Art. 47 Duration of disabled person's child's pension**

1. The claim to a disabled person's child's pension lapses when the claim to a disability pension lapses, but at the latest when the child reaches the age of 18.
2. The claim to a child's pension applies until the 25<sup>th</sup> birthday at the latest if the child is still pursuing basic training or is at least 70 percent disabled in accordance with the DI and is not in gainful employment.
3. If a disabled person's child's pension is paid when the insured person reaches the regulatory retirement age, it is replaced by a pensioner's child's pension.
4. Upon the death of the insured person, the disabled person's child's pension is replaced by an orphan's pension.

## **5. Common provisions applying to benefits**

### **Art. 48 Payment of benefits**

1. Regulatory benefits fall due when the claim arises. The benefits are paid out as soon as the eligible person has submitted all documents required by the Abendrot Foundation to substantiate their claim.
2. The regulatory benefits are usually paid out as pensions. Pensions are paid monthly in advance.
3. The Abendrot Foundation can pay a lump sum instead of a pension if the retirement or disability pension amounts to less than ten percent, the surviving partner's pension to less than six percent, and the orphan's pension to less than two percent of the minimum single OASI retirement pension. A lump-sum withdrawal settles all claims under these regulations.

### **Art. 49 Eligible recipients of benefits and place of performance**

1. Benefits are in principle paid directly to the eligible person.
2. Pensioner's and disabled person's child's pensions are paid to the persons entitled to a retirement or disability pension.
3. Subject to Art. 89c LOB (bilateral agreements Switzerland-EU, Iceland, Norway, Liechtenstein), the Foundation only performs its obligations in Switzerland.
4. Subject to Art. 89c LOB, the eligible person(s) bear(s) the costs and risks for the transfer of benefits abroad.

### **Art. 50 Adjustment of pensions to Inflation**

1. By decree of the Federal Council, the mandatory component of survivors' and disability pensions that have been running for more than three years are adjusted to the cost of living until the OASI reference age.

2. Survivors' and disability pensions that do not have to be adjusted to price trends pursuant to Art. 50 para. 1 of the regulations on benefits and retirement pensions are adjusted for inflation as allowed by the financial resources of the Abendrot Foundation. The Foundation Board decides every year whether pensions can be increased, and if so, to what extent.

#### **Art. 51 Proof of entitlement**

1. Persons receiving a pension must provide proof of life in appropriate forms at the request of the Foundation.
2. Recipients of child's pensions and orphan's pensions who claim benefits past the age of 18 years must submit an annual declaration by their training college that confirms the type and duration of their initial training course.

#### **Art. 52 Pledging, assignment and set-off**

1. Subject to Art. 52 para. 2 of the regulations on benefits, benefits cannot be pledged, assigned or set off before they fall due.
2. The pledging of pension benefits or the vested retirement savings and the advance withdrawal of retirement benefits to finance the acquisition of residential property are governed by the provisions of the Federal Act on the Encouragement of the Use of Vested Pension Benefits for Home Ownership.

#### **Art. 53 Excess compensation and coordination with other insurance benefits**

1. The Foundation reduces its regulatory survivors' and disability benefits if these benefits, together with other creditable income exceed 90 percent of the presumed lost income. For fluctuating pensionable salaries, the presumed lost income is calculated on the basis of the average income earned over the last three years before incapacity for work occurred.
2. Creditable income includes:
  - a) OASI/DI benefits
  - b) Benefits paid by the compulsory accident insurance
  - c) Benefits paid by the military insurance
  - d) Benefits paid for the harmful event by other domestic and foreign social insurance schemes and pension funds
  - e) Daily allowances from compulsory insurance policies
  - f) Daily allowances from voluntary insurance policies (sickness or accident insurance) for which the employer or in its place a foundation paid at least 50 percent of the premiums
  - g) Benefits from vested benefits institutions
  - h) For disabled persons, any income or replacement income which the insured person still earns or can be reasonably expected to earn.
3. The calculation of the income that the insured can still be reasonably expected to earn is based on the disability income pursuant to the decision of the DI.
4. After the regulatory retirement age, the Abendrot Foundation reduces its benefits in the same manner if these are paid together with benefits from the accident or military insurance and comparable foreign benefits. Benefit reductions by the accident and military insurance after the regulatory retirement age are not compensated. Together with the benefits from the accident and military insurance and comparable foreign benefits, the benefits reduced by the pension fund may not be less than the statutory benefits.
5. If a disability pension is divided during a divorce after the regulatory retirement age, the share of the pension that was awarded to the eligible spouse is still taken into consideration when calculating the reduction of the liable spouse's disability pension. The same approach is applied to registered partnerships.

6. During the provisional continued insurance and maintenance of the benefit claim pursuant to Art. 26a LOB, the pension fund reduces the disability pension in accordance with the reduced level of disability of the insured person, but only to the extent that the pension reduction is balanced by additional income earned by the insured person.
7. Any lump-sum benefits are actuarially converted into equivalent pensions. The survivors' benefits paid by the pension fund and the creditable income of the survivors are added together and the total is taken into consideration. The reduction is applied proportionally to the individual pensions. Care allowances for persons unable to look after themselves and allowances for physical or mental impairment, satisfaction payments and similar benefits as well as the additional income earned by disabled persons while participating in reintegration programmes pursuant to Art. 8a IVG are not included.
8. The date on which the insured person qualified as disabled or the date of death is the date used to calculate the coordination of benefits. The pension fund can check the conditions and scope of a reduction at any time and adjust its benefits if circumstances change significantly.

#### **Art. 54 Reduction of benefits**

1. If the OASI/DI reduces a benefit because the eligible person has caused the death or disability through gross negligence or resists the federal DI's reintegration efforts, the Abendrot Foundation can reduce its benefits to the same extent.
2. The calculation of excess compensation is based on the unreduced benefits, however.

#### **Art. 55 Subrogation and recourse**

Persons who submit a claim for survivors' or disability benefits have to assign any claims they may have against liable third parties to the Foundation, unless such claims have already passed to the Foundation by law.

#### **Art. 56 Repayment of benefits wrongfully received**

1. Benefits paid out in error must be reimbursed to the Foundation.
2. Such benefits can be set off against outstanding claims to benefits.
3. In cases of hardship, the Abendrot Foundation can waive the reimbursement of the benefit if the insured person accepted it in good faith.
4. The Foundation's claim for repayment expires three years after the Foundation has become aware of the benefits wrongfully received, but at the latest five years after payment of the individual benefit.

#### **Art. 56a Measures in the case of failure to meet maintenance obligations**

If an insured person is behind on regular maintenance payments by at least four monthly instalments, the competent specialist unit under cantonal law can notify the Abendrot Foundation to secure the pension assets. The Abendrot Foundation must inform the specialist unit without delay when lump-sum payments are due or pension assets are pledged. The Foundation can make lump-sum payments at the earliest 30 days after notifying the specialist unit.

## **6. Division of pension assets during divorce**

#### **Art. 57 Principles**

1. Based on a court order, the assets accrued in the occupational benefits insurance during the marriage until the instigation of divorce proceedings are divided in the event of divorce. The same approach is applied to registered partnerships.

2. The pension claims awarded to an active insured person during a divorce are treated in the same way as a vested benefit brought into the pension fund. For recipients of a disability pension, the pension claims awarded are credited only to the degree that they can be managed via a retirement savings account.
3. The offsetting of vested benefits against pension entitlements awarded by the court requires the mutual agreement of the Abendrot Foundation and the insured person.
4. The obliged insured person can purchase additional benefits for the sum of the transferred vested benefit. Recipients of a disability pension cannot repurchase pension claims for the disability component of the transferred pension assets.
5. The share of the LOB retirement savings that was transferred during a divorce is credited back to the LOB retirement savings upon repurchase.
6. The claim to a child's pension or disabled person's child's pension that is valid at the time of the instigation of divorce proceedings is not affected by the division of pension assets due to a divorce. If, at the time of the instigation of divorce proceedings, a valid child's pension or disabled person's child's pension is replaced by an orphan's pension, any reduction caused by the division of pension assets during the divorce in the underlying retirement or disability pension that is used to determine the amount of the orphan's pension is not taken into account. The same approach is applied to registered partnerships.
7. If an insured person takes retirement during the divorce proceedings or if the recipient of a disability pension reaches the regulatory retirement age pursuant to Art. 19 para. 1 of the regulations on benefits, the Abendrot Foundation amends the pension retroactively as if it had based its calculation of the pension claim on the pension assets reduced by the pension entitlement to be transferred. The share of the termination benefit to be transferred as well as the adjusted pension are reduced by the amount by which the pension payments would have been reduced until the divorce decree entered into force. The reduction is shared equally between the spouses, subject to a different ruling in the divorce decree. Instead of a permanent reduction in the pension, the Abendrot Foundation can offset any overpaid amounts to the obliged spouse against their future pension payments. However, the Foundation can waive a reduction or offset if it deems this to be immaterial.
8. The legal dissolution of a registered partnership is treated the same as a divorce.

#### **Art. 58 Active insured persons**

1. If part of the vested benefits of an active insured must be transferred to the pension fund or vested benefits institution of the divorced spouse or registered partner under a divorce decree issued by a court, their retirement savings are reduced accordingly.
2. The mandatory LOB retirement assets are reduced in proportion to the withdrawal of the full retirement savings.

#### **Art. 59 Disability before regulatory retirement age**

1. If, based on the divorce decree, part of the hypothetical termination benefit of a recipient of a disability pension who has not yet reached the regulatory retirement age has to be transferred to the pension scheme or vested benefits institution of the divorced spouse, the retirement savings are reduced. If no retirement savings account is managed for the disability pensioner, the disability pension is reduced by the amount by which it would have been lower if the calculation had been based on the vested benefits reduced by the pension entitlement to be transferred.
2. The hypothetical termination benefit equals the sum that would be subject to entitlement in the case of reactivation.
3. The mandatory LOB retirement assets are reduced in proportion to the withdrawal of the full retirement savings.

4. For partially disabled insured persons, the retirement savings for the active component are reduced first. If this is insufficient, the hypothetical termination benefit for the disability component is reduced for the remaining amount.
5. The hypothetical termination benefit for a recipient of a disability pension whose pension has been reduced because of the coordination of benefits from the accident or military insurance can only be included in the division of pension assets if the disability pension without the claim to child's pensions would not suffer any reduction.

**Art. 60 Recipients of retirement pensions and disabled persons after regulatory retirement age**

1. If, based on a divorce decree, part of a current retirement or disability pension is granted to the divorced spouse or registered partner after the regulatory retirement age, the Abendrot Foundation will provide a "pension from the division of retirement assets" for said spouse or registered partner. The current retirement or disability pension will be reduced permanently by the pension share granted. The same approach is applied to registered partnerships.
2. The amount of the pension from the division of retirement assets is determined based on the share of the pension granted, which is converted into a pension using the BSV conversion programme in accordance with the calculation rules applied by federal law that are valid at the time the divorce becomes legally binding.

**Art. 61 Pension from division of retirement assets**

1. The claim to a pension from the division of retirement assets begins when the divorce becomes legally binding. The following provisions apply by analogy to both divorce and the dissolution of a registered partnership.
2. The claim to a pension from the division of retirement assets expires upon the death of the eligible divorced spouse. The pension from the division of retirement assets does not justify any claim to further benefits.
3. If the eligible divorced spouse receives a full disability pension or if they have passed the age of 58, said spouse can request the direct payment of the pension from the division of retirement assets. If the spouse has reached the OASI reference age, the pension is paid directly unless the spouse requests that the pension be transferred to their pension scheme and said scheme permits a purchase. The same approach is applied to registered partnerships.
4. If the eligible divorced spouse has not yet reached the OASI reference age and if the pension from the division of retirement assets is not paid out directly, it is transferred as a lump sum to the pension scheme or vested benefits institution designated by the divorced spouse, unless they request in writing the transfer of the pension in instalments. A written application must be made to the Abendrot Foundation within three months at the latest from the entry into force of the divorce decree. The amount of the lump sum to be transferred is calculated based on the valid actuarial principles applied by the Abendrot Foundation at the time of the entry into force of the divorce decree. With the transfer of the pension in lump-sum form, all the claims of the eligible divorced spouse vis-à-vis the Abendrot Foundation expire. The same approach is applied to registered partnerships.
5. If the eligible divorced spouse requests the transfer of the pension in instalments, the pension will be transferred annually to the designated pension scheme or vested benefits institution in one amount by 15 December every year. The annual amount is increased by half of the regulatory interest rate. If the Foundation is not given any instructions or if the designated pension scheme or vested benefits institution no longer accepts the amount to be transferred, a transfer will be made to the National Substitute Pension Plan Foundation after six months at the earliest. Direct payment pursuant to Art. 61 para. 3 of the regulations on benefits is reserved.

## 7. Financing

### **Art. 62 Pension costs**

1. The totals costs for pension benefits comprise the savings contributions, risk contributions, administration fee and the contributions for an additional lump-sum death benefit.
2. If the Abendrot Foundation reports a funding deficiency, rehabilitation contributions can be levied.

### **Art. 63 Savings contributions**

1. The amount of the savings contributions is specified in the pension plans.
2. The age according to which the savings contributions are calculated is calculated by subtracting the year of birth from the calendar year.

### **Art. 64 Risk contributions**

1. The amount of the risk contributions is determined by the insured benefits and is set out in the pension plans.
2. They include the cost for the adjustment of the mandatory survivors' and disability benefits to the increase in the cost of living.
3. They also include the contribution to the Security Fund pursuant to Art. 59 LOB.

### **Art. 65 Administration fee**

The amount of the contribution to the administrative costs is determined every year by the Foundation Board. The delegates' meeting has a right to submit proposals in this regard.

### **Art. 66 Waiver of contributions**

1. Three months after the occurrence of incapacity for work of at least 20 percent, a claim arises to the waiver of the obligation to pay the regulatory contributions. For every new incapacity for work of at least 20 percent due to a new cause there is a further claim to the waiver of contributions.
2. Savings contributions continue to accrue after the beginning of the waiver of contributions.
3. The waiver of contributions depends on the level of the incapacity for work and the pensionable salary at the time the incapacity for work occurs.
4. Contribution payments are waived under the same principles after the occurrence of disability.
5. To assert the claim to the waiver of contributions, the required doctor's reports and a power of attorney for collecting further information have to be submitted.
6. After the daily allowance benefits have been exhausted, the waiver of contributions is continued if DI benefits have been awarded with legal force.
7. However, if incapacity for work occurs again for the same reason (relapse) within one year, the previous work incapacity period is deducted from the waiting period. In such cases, any changes made to the plan and the salary in the meantime will be reversed.

### **Art. 67 Rehabilitation contributions**

If there is a funding deficiency, the Foundation Board decides whether to levy rehabilitation contributions in accordance with the regulatory provisions in Art. 80 of the regulations on benefits.

### **Art. 68 Division of contributions**

1. The employer's contribution must equal at least the total amount of the contributions of all insured persons.

2. If nothing to the contrary is stated in the affiliation contract and/or pension plans, 50 percent of the contribution is paid by the insured persons and 50 percent by the employer, and this is confirmed in the benefit statement.
3. Contributions in the case of the voluntary continuation of the occupational benefits insurance pursuant to Art. 5 para. 5 and Art. 5 para. 6 of the regulations on benefits, the voluntary continuation of the occupational benefits insurance when taking unpaid leave pursuant to Art. 10 para. 4 of the regulations on benefits and the continuation of insurance in the event of early retirement pursuant to Art. 14 of the regulations on benefits are borne in full by the insured person, unless agreed otherwise.

#### **Art. 69 Beginning and end of contribution obligation**

1. The obligation to pay contributions begins on the date on which the insured person is enrolled with the Abendrot Foundation.
2. It ends when leaving the Abendrot Foundation, upon reaching the regulatory retirement age or death before this date, or upon the early termination of the employment relationship, i.e. when the insured person is no longer subject to the occupational benefits insurance.
3. The obligation to pay contributions does not apply while a waiver of contributions for incapacity for work is in effect.

#### **Art. 70 Entry benefit**

1. Upon enrolment with the Abendrot Foundation, the insured person is obliged to transfer mandatory and extra-mandatory vested benefits to the Abendrot Foundation.
2. The Abendrot Foundation is authorised to collect vested benefits that are not transferred to the Abendrot Foundation at the cost of the insured person.
3. Insured persons have the right to bring termination benefits from foreign pension schemes into the pension fund.
4. Insured persons whose vested benefits are held with another pension scheme due to voluntary continuation of insurance pursuant to Art. 47a LOB may contribute the amount of vested benefits that is needed to purchase the full regulatory benefits at most.

#### **Art. 71 Purchase**

1. An insured person can buy the full regulatory benefits upon enrolment with the Abendrot Foundation or at a later date.
2. The maximum permitted purchase is governed by the statutory provisions and the pension plans.
3. No purchases can be made during incapacity for work, after retirement or after an insured person has been qualified as disabled.
4. The employer can voluntarily participate in purchases made by insured persons. In this case, art. 7 of the Federal Act on Vesting in Pension Plans (FZG) will apply. Unless agreed otherwise, the deduction upon withdrawal pursuant to Art. 7 para. 2 FZG will be reduced by one-tenth of the amount assumed by the employer per year.
5. For insured persons who are drawing or have already drawn retirement benefits and who subsequently start working again or increase their number of working hours, the potential purchase amount is reduced to the extent of the retirement benefits already drawn.

#### **Art. 72 Extraordinary expenses**

Extraordinary expenses caused by an insured person or an employer will be invoiced to this party. Details are set out in the regulations on costs.

## 8. Withdrawal from the Abendrot Foundation

### Art. 73 Termination of pension relationship

The pension relationship ends

- upon the termination of the employment relationship,
- upon the dissolution of the affiliation contract,
- when earning less than the minimum salary agreed in the pension plan,
- at the latest, however, upon reaching the regulatory retirement age.

### Art. 74 Extended cover

Insured persons who leave the Abendrot Foundation remain covered for the risks of death and disability until they start a new employment relationship, but at most for one month.

### Art. 75 Termination benefit

1. Insured persons who leave the Abendrot Foundation are entitled to a vested benefit as at the date of withdrawal.
2. The amount of the vested benefit equals the accrued retirement assets as at the date of withdrawal pursuant to art. 15 FZG, but at least the amount pursuant to art. 17 FZG.
3. The minimum amount pursuant to Art. 17 FZG comprises the vested benefits brought into the pension fund plus interest and the savings contributions earned during the contribution period, plus a premium of four percent per year from the age of 20, but not more than 100 percent. No premium is calculated on the savings contributions paid for the duration of continued insurance pursuant to Art. 5a of the regulations on benefits.
4. The payment of interest on the vested benefit is governed by the legal provisions.

### Art. 76 Transfer of termination benefit

1. The vested benefit is transferred to the pension scheme of the new employer in accordance with the insured person's instructions.
2. Insured persons who do not join a new pension scheme must notify the Abendrot Foundation of the form in which they wish to receive pension protection.
3. If this notification is not given, the Abendrot Foundation is authorised to transfer the termination benefit to the National Substitute Pension Plan Foundation six months after the departure of the insured person.

### Art. 77 Cash payment of termination benefit

The vested benefit is paid out in cash if an application is submitted:

- by a withdrawing insured person who is leaving Switzerland permanently and a cash payment is not forbidden by other statutory provisions (bilateral agreement Switzerland-EU, Iceland, Norway, Liechtenstein);
- by a withdrawing person who takes up self-employment and is no longer subject to the compulsory insurance obligation;
- by a withdrawing person whose termination benefit is less than one annual contribution by the insured person.

### Art. 78 Procedure for cash payment

1. Cash payments can only be made to married persons or persons in a registered partnership if the partner gives their written consent.
2. The Abendrot Foundation can request certification of the signature by a notary or an equivalent confirmation.

3. The same procedure applies to the lump-sum withdrawal of the retirement savings pursuant to Art. 26 of the regulations on benefits upon reaching the regulatory retirement age.

## **9. Further provisions**

### **Art. 79 Duty to cooperate and provide information**

1. The insured and eligible persons have to provide the Abendrot Foundation of their own accord with true and correct information and all data required for the implementation of the insurance, in particular with regard to changes in marital status and family circumstances, or about changes to their income if they draw benefits.
2. Employers are obliged to provide all the information and data required for the implementation of the occupational benefits insurance and to pay the required contributions.

### **Art. 79a Processing of personal data; data protection**

1. The employers and the Abendrot Foundation are responsible for compliance with the applicable provisions on data protection and data security in their respective areas.
2. The Abendrot Foundation is authorised to process or order the processing of the personal data which it needs to perform its assigned tasks under these regulations and federal legislation.
3. To perform these tasks, the Abendrot Foundation is also authorised to process or order the processing of personal data which makes it possible to assess the health, the severity of a physical or mental condition, the needs and the financial situation of the insured person.

### **Art. 80 Measures to remedy funding deficiencies**

1. If the Abendrot Foundation reports a funding deficiency calculated in accordance with art. 44 para. 1 of the Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV2), the Foundation Board can apply measures to eliminate the deficiency, namely
  - a) Reducing the interest rate or applying a zero interest rate to retirement assets and any amounts paid in to purchase early retirement;
  - b) Levying rehabilitation contributions from employers and employees. The amount paid by the employer must equal at least the total rehabilitation contributions collected from the employees;
  - c) Levying contributions on current pensions;
  - d) Paying an interest rate that is lower than the LOB minimum interest rate for LOB retirement assets (shadow account) if the measures pursuant to a) to c) above prove to be insufficient;
  - e) Reducing the prospective benefits;
  - f) Collecting rehabilitation contributions from the employer, in the form of an employer contribution reserve with a usage restriction in accordance with Art. 65e LOB.
2. For current pensions, the rehabilitation contributions are deducted from the pensions that are paid out. The rehabilitation contributions on current pensions may only be levied on that part of the current pension which did not stem from legal or regulatory pension increases during the ten years preceding the implementation of this measure. The statutory LOB pensions are guaranteed at all times, as is the pension amount at the time when the claim to a pension arises.
3. The measures to eliminate the funding deficiency must be commensurate to the Abendrot Foundation's situation, the expected development of the portfolio of insured persons and pensioners, and the extent of the funding deficiency. They must be part of a balanced overall concept, and also make it possible to eliminate the funding deficiency within an appropriate period of time.

## 10. Final and transitional provisions

### Art. 81 Reduction of the pension conversion rate

For affiliations that existed before 01/01/2020, the pension conversion rate at the regulatory retirement age is as follows:

Year of birth	Conversion rate	
	Women	Men
1959	5.90%	5.80%
1960	5.80%	5.70%
1961	5.75%	5.60%
1962	5.70%	5.60%
1963	5.65%	5.60%
1964 and later	5.60%	5.60%

### Art. 81a Claim to a disability pension (further development of federal disability insurance)

In addition to Art. 43 para. 2 of the regulations on benefits, the transitional provisions of the LOB regarding the amendment of 19 June 2020 apply to the pension claim based on disability.

### Art. 82 Change of pension scheme by employers

1. The previous insurer is responsible for paying benefits to insured persons who newly transferred to the Abendrot Foundation owing to a change in pension scheme by the employer and who are partly or fully incapacitated for work at the time of the transfer and is subsequently granted a disability pension or dies.
2. With a change of pension scheme by the employer or the acquisition of a pension scheme by the Abendrot Foundation, the existing health provisos are also taken over. If the pension benefits increase following amendments to the pension plan or a purchase, the Abendrot Foundation can require the insured person to submit a new health declaration and can apply a new proviso to the new benefits, if necessary.

### Art. 83 Applicable regulations

If the German version of the regulations on benefits does not match a version in another language, the provisions of the regulations on benefits in German shall prevail.

### Art. 84 Right to amend regulations

The Foundation Board reserves the right to amend these regulations on benefits to reflect changes in legal provisions or circumstances.

### Art. 85 Entry into force

1. These regulations enter into force on 1 January 2024 and replace the previous version of the regulations.
2. If incapacity for work, the cause of which leads to disability or death, occurred before the entry into force of these regulations, benefits will be calculated in accordance with the old regulations.

The present regulations on benefits

- were ratified at the meeting of the Foundation Board on 14/09/2023;
- replace the regulations on benefits as at 01/01/2023;
- entered into force on 01/01/2024.

Revised on:

08/12/2016, 22/06/2017, 07/12/2017, 26/04/2018, 11/04/2019, 05/12/2019, 11/06/2020, 03/12/2020,  
22/04/2021, 03/06/2021, 02/12/2021, 23/05/2022, 01/06/2022 / 01/12/2022 / 14/09/2023