Pension Fund Regulations

Tellco
Pension Solutions 1e

Tellco Pension Solutions 1e
Bahnhofstrasse 4
Postfach 434
CH-6431 Schwyz
t +41 58 442 64 00
vorsorge1e@tellco.ch
tellco.ch

valid as of 1 January 2020

Table of contents

I General provisions

1 Purpose

1.1 The object of Tellco Pension Solutions 1e (hereinafter referred to as the «Foundation») is to operate a non-mandatory occupational pension scheme under the Swiss Occupational Pensions Act (hereinafter the «OPA» – Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge, BVG) and its implementing provisions for the purpose of insuring the employees of employers affiliated to it and self-employed individuals, as well as members of their families and surviving dependants against the financial consequences of age, death and disability in accordance with these Pension Fund Regulations.

The Foundation exclusively insures salary components in excess of one and a half times the upper threshold amount under Art. 8(1) OPA.

1.2 The Foundation is organised as a collective foundation and operates a pension fund for each employer/self-employed individual that has entered into an affiliation agreement with the Foundation. It is subject to supervision by the OPA and the foundation supervisory authority for Central Switzerland (Zentralschweizer BVG- und Stiftungsaufsicht, ZBSA).

2 Subject matter of the Pension Fund Regulations

2.1 These Pension Fund Regulations lay down the rules relating to the organisation and administration of the Foundation, the rights and obligations of employees in relation to the Foundation and the relationships between employees, employers, self-employed individuals and the Foundation.

The nature, extent and funding of pension benefits are defined in a pension plan for each pension fund.

2.2 The pension plans form an integral part of these Pension Fund Regulations. In the event of any inconsistency between the provisions of the pension plan and the provisions of these Pension Fund Regulations, the provisions of the pension plan will prevail.

2.3 The Foundation will provide benefits on a defined contribution basis (savings and supplementary risk insurance).

3 Age

3.1 The age determining membership, contribution levels and retirement credits is equal to the difference between the current calendar year and the year of birth.

4 Retirement age

4.1 The retirement age is defined in the pension plan.

5 Compulsory insurance

5.1 All employees and self-employed individuals who meet the admission requirements set out in the employer's pension plan will become members of the Foundation on 1 January following their 17th birthday.

5.2 An employee/self-employed individual admitted to the Foundation will hereinafter be referred to as a «Policyholder».

6 Exemptions from compulsory insurance

Policyholders who are not admitted to the employer's mandatory OPA insurance scheme or who are occupationally disabled, either in full or in part, will not be admitted to the Foundation.

7 Commencement of insurance

7.1 Insurance cover commences upon commencement of employment or on the date when the employee becomes entitled to his or her first salary, but in any event at such time as the employee begins his or her journey to work.

7.2 Any vested benefits of the Policyholder under previous pension institutions acquired in relation to salary components in excess of one and a half times the upper threshold amount under Article 8(1) of the OPA (as of 2020: CHF 127,980.00) must be transferred in full to the Foundation on joining the insurance scheme.

7.3 Subject to Articles 60a to 60d of the Swiss Occupational Pensions Ordinance (hereinafter the «OPO 2» – Verordnung über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge, BVV 2), employees have the right to purchase additional full plan benefits, either on joining the insurance scheme or subsequently. The buy-in amount in respect of full plan benefits is specified in the insurance certificate and may be paid by both the employer and the Policyholder.

7.4 If early withdrawals are made to finance home ownership, any optional buy-ins may only be made once the early withdrawals have been repaid.

7.5 Buy-ins are permitted only if they are made three years or more prior to the commencement of the entitlement to pension benefits.

Buy-ins are permitted in the event of divorce. The Policyholder must, however, consult the responsible tax authorities to clarify the deductibility of the amount deposited from his/her taxable income in advance.

7.6 Where buy-ins have been made, no benefits in the form of a lump-sum payment may be withdrawn from the pension fund over the next three years.

7.7 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 mutatis mutandis.

8 Exclusions for pre-existing medical conditions

8.1 Upon the admission of new employees or in the event of an increase in benefits, the Foundation may require an initial medical examination as a condition of granting insurance cover. The Policyholder shall provide truthful answers to any questions put by the Foundation and the insurance company and undergo any medical examination that may be required.

Unless the Foundation has provided written confirmation of membership, no benefits will be payable.

The Foundation may, to the extent permitted by law, exclude benefits in relation to specific conditions, based on information regarding any pre-existing medical conditions of the Policyholder. Notwithstanding the statutory requirement for exclusions to be limited in time, 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.

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

8.2 If the Policyholder becomes disabled prior to completion of the medical examination, no benefits will be payable.

8.3 In the event of failure to disclose pre-existing conditions (breach of disclosure obligation) on the part of the Policyholder or if the information provided during the medical examination is untrue, the death and disability benefits may be terminated within six months of the Foundation becoming aware of the breach.

8.4 The Foundation will only provide benefits if the inability to work, resulting in disability or death within the meaning of the OPA, occurred subsequent to joining the Foundation.

If a Policyholder was not fully fit for work upon admission to the Foundation – even if he/she was only partially disabled for invalidity insurance (IV) purposes as a result of the inability to work – and the condition causing his/her inability to work results in disability or death, no benefits will be payable.

8.5 In the event of an increase in the annual salary following the onset of inability to work resulting in benefits under these Pension Fund Regulations, the relevant salary adjustment will have no impact on the benefits payable.

9 Cessation of insurance

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

9.2 If the annual salary is expected to remain permanently below the entry threshold required for compulsory insurance, for example due to a change in the level of employment, and no death or disability benefits are payable, insurance cover will cease and there is no entitlement to equivalent vested benefits.

9.3 However, if the annual salary does not fall below the entry threshold, the insurance cover will be reduced in line with the relevant adjustment to pensionable salary. Retirement savings will be maintained in accordance with the Pension Fund Regulations and there is no entitlement to equivalent vested benefits.

9.4 If the annual salary of a Policyholder is reduced temporarily due to illness, accident, unemployment, maternity leave or on other grounds, the previous pensionable salary will continue to apply in normal circumstances, provided that the employer has a continuing obligation to pay the employee’s salary or there is an ongoing entitlement to maternity leave under the Swiss Code of Obligations (Obligationenrecht, OR). However, the Policyholder may request a decrease.

9.5 If the Policyholder does not join another pension institution, or does not join another pension institution immediately, he/she is not permitted to maintain insurance cover on a voluntary basis under these Pension Fund Regulations.

10 Obligation to provide information

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

10.2 If the Policyholder has more than one pension fund and his/her total pensionable salaries and income exceed the maximum OASI retirement pension by a factor of 30, he/she must supply to the Foundation information on all pension plans and the pensionable salaries and income insured thereunder.

10.3 Policyholders shall immediately notify any change of marital status or the commencement or cessation of maintenance obligations.

10.4 Claimants of disability pensions or survivors’ benefits shall provide information regarding any qualifying income (for example Swiss or foreign social security benefits, other pension institution benefits, additional income from employment).

10.5 Upon commencement of membership, in the event of salary increases or in the event of a claim for disability benefits, the Policyholder shall release any attending medical practitioner from his/her obligation of confidentiality, and permit the Foundation to access the Policyholder’s IV records where necessary.

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

10.6 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 Policyholder.

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 Policyholder.

11 Provision of information to Policyholders

11.1 The Foundation shall prepare an insurance certificate once a year indicating retirement savings, vested benefits, the level of insured benefits and contributions. This insurance certificate will be sent or made accessible in electronic form to the Policyholder or sent to the employer in a sealed envelope to be forwarded to Policyholders.

11.2 The Foundation shall also issue information on an annual basis regarding its organisation, the composition of the Board of Trustees, funding, performance and investment returns. Such information must be issued to Policyholders by suitable means through the pension fund commissions. The pension fund commissions shall provide information to Policyholders once a year regarding the composition of the commission.

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

11.4 The Foundation shall provide information on the level of vested benefits upon the marriage of a Policyholder.

11.5 To the extent permitted under applicable legislation, the Foundation shall, upon request, provide further information to Policyholders regarding the status of their insurance cover and business operations.

11.6 All Policyholders may, by submitting a request to their pension fund commission, obtain information from the Foundation regarding all personal data managed and request the correction of data where necessary.

12 Registered partnerships

12.1 In the event of the death of an Insured Person who has entered into a same-sex registered partnership, the surviving partner is entitled to survivors' benefits under the same conditions applying to widows or widowers.

12.2 Policyholders intending to make an early withdrawal of funds to finance home ownership or withdraw retirement savings early must obtain written consent, which must be officially certified where necessary, from their registered partner.

12.3 In the event that the registered partnership is dissolved by court order, the procedures applying to divorce apply: the vested benefits calculated for the duration of the marriage will be divided in accordance with the provisions of the Swiss Civil Code (Schweizerisches Zivilgesetzbuch, ZGB).

II Definitions relating to salary

13 Annual salary

13.1 The annual salary will be set by the employer and notified to the Foundation by 1 January of each year or upon commencement of the insurance.

13.2 The annual salary is the salary from the previous year, factoring in any adjustments previously agreed for the new insurance year. Salary components paid on an occasional basis only will be disregarded. Any salary components paid on an occasional basis, which are not included in the annual salary, are defined in the pension plan.

13.3 Where a Policyholder has been employed by the employer for less than one year (for example seasonal and fixed-term employment), the annual salary is deemed to be the salary that he/she would earn in a full year of employment.

13.4 Where the Policyholder's level of employment or income varies significantly, the average annual salary for the relevant occupational category applies. The applicable values used for such purpose will be defined in the pension plan if required.

13.5 The annual salary will be adjusted in line with any variations to salary during the year, provided that the variation is not less than 10% in a given year.

14 Pensionable salary

14.1 The Foundation exclusively insures salary components in excess of one and a half times the upper threshold amount under Art. 8(1) OPA.

The pensionable salary will be defined in the pension plan.

14.2 Any Policyholder over the age of 58 whose salary is reduced by no more than 50% may request continuation of his/her retirement cover at the salary level currently insured. Insurance cover may only continue up to retirement age. The Policyholder is personally responsible for financing any contribution difference between the salary level previously insured and the reduced salary. The employer shall transfer all contributions to the Foundation.

15 Special circumstances

15.1 If the Policyholder becomes totally disabled, the salary applying immediately prior to the onset of the inability to work, resulting in disability, will remain constant for the duration of the coverage.

15.2 If a Policyholder is partially disabled for IV purposes, the limits will be determined in line with the remaining percentage of earning capacity.

Fractional entitlements to pension benefits in respect of a full pension	Reduction of limits
¼	¼
½	½
¾	¾

15.3 Policyholders who are concurrently employed by one or more non-affiliated employers will only be insured under these Pension Fund Regulations on the basis of the salary paid by the employer that is affiliated to the Foundation.

III Pension benefits

A General provisions

16 Overview of benefits

The Foundation shall pay out the following benefits in accordance with these Pension Fund Regulations:

a) on reaching retirement age:

• Retirement capital	clause 19

b) upon disability:

• Disability pensions	clause 20
• Disabled person's child pensions	clause 21
• Contribution exemption	clause 22

c) in the event of death:

• Spouse's pension	clause 23
• Partner's pension	clause 24
• Orphan's pension	clause 25
• Lump-sum death benefits	clause 26

17 Retirement savings

17.1 An individual retirement savings account will be maintained for all Policyholders for the purpose of funding old-age benefits. The account will be set up upon commencement of retirement provision.

17.2 The following amounts will be credited to the account:

- Annual retirement credits;
- Buy-ins;
- Deposits of vested benefits from previous employment;
- Deposits of vested benefits pursuant to a decree of divorce;
- Repayments of funds withdrawn to finance home ownership;
- Additional amounts credited from non-committed funds or shares of surplus;
- The income credited and the positive performance of the selected investment strategy.

The following amounts will be debited from the account:

- Funds paid out to finance home ownership;
- Vested benefits paid out pursuant to a decree of divorce;
- The negative performance of the selected investment strategy;
- The fees for the Foundation, authorised persons and representatives, in each case based on the Fees and Charges Policy or an agreement.

17.3 The level of annual retirement credits must be as set forth in the pension plan.

17.4 The performance of the selected investment strategy is credited to the retirement savings at the end of each calendar year.

17.5 If an insured event should occur or if a Policyholder exits the pension scheme after the start of the year, the performance for the current year will be calculated up to the date in question.

In the event of partial disability, the Foundation shall divide the retirement savings of the Policyholder into two components: one component relating to the pension claim and the other component to active employment.

Pension entitlement	Retirement savings attributable to partial disability	Active retirement savings
Quarter pension	¼	¾
Half pension	½	½
Three-quarter pension	¾	¼

18 Projected retirement savings excluding interest

18.1 Projected retirement savings, excluding interest, consist of

- the retirement savings accumulated by the Policyholder prior to commencement of entitlement to death or disability benefits or prior to the date of drawdown of funds for home ownership purposes or divorce;
- plus total retirement savings credited in respect of any missing years prior to retirement age, excluding interest. Retirement savings will be calculated on the basis of the Policyholder’s latest pensionable salary.

B Old-age benefits

19 Retirement capital

19.1 Each Policyholder will be entitled to retirement capital corresponding to the individual retirement savings available when he/she reaches retirement age.

19.2 The retirement capital will become payable upon cessation of employment at any time after the Insured Policyholder’s 58th birthday.

19.3 Any Policyholder aged 58 or above who reduces his/her level of employment by at least one-third may request a payout of part of his/her old-age benefits. The old-age benefits must be calculated in proportion to the applicable reduction in annual salary.

In the event of partial cessation of employment, the retirement savings will be divided into two components based on the reduced level of employment:

a) The Policyholder is deemed to be a claimant of old-age benefits in respect of the component relating to the reduced level of employment.
b) The Policyholder is deemed to be in active employment in respect of the other component.

19.4 Any Policyholder who continues to be employed by the employer may request deferment of the old-age benefits beyond retirement age until he/she reaches the age of 70 at the latest.

The old-age benefits will be payable upon the cessation of employment.

Risk premiums must cease to be payable once the Policyholder reaches retirement age. Other contributions and costs must continue to be payable until old-age benefits are claimed.

Any Policyholder who becomes disabled during the deferment period is entitled to old-age benefits instead of disability benefits.

If the Policyholder dies during the deferment period, the survivors' benefits are commensurate with the available retirement savings.

19.5 In the event that the Policyholder leaves employment early or cessation of employment is deferred, he/she is responsible for obtaining information as to how the old-age benefits will be taxed.

19.6 Policyholders who are married shall obtain the written consent of their spouse to the withdrawal of a lump-sum amount, which must bear a duly certified signature where necessary.

C Disability benefits

20 Disability pensions

20.1 Upon the onset of disability, Policyholders are entitled to a disability pension, provided that they are at least 40% disabled for IV purposes and were insured upon the onset of any condition that prevented the Policyholder from working and resulted in his or her disability.

20.2 If the Policyholder becomes partially disabled, the benefits defined in respect of total disability will be granted, based on the degree of disability.

Policyholders are entitled to:
- a full disability pension where their degree of disability is at least 70%;
- three quarters of a disability pension where their degree of disability is at least 60%;
- half a disability pension where their degree of disability is at least 50%;
- one quarter of a disability pension where their degree of disability is at least 40%.

20.3 Policyholders 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). No benefits will be payable in respect of any entitlement that, for particular reasons, existed prior to this date.

20.4 Entitlement will cease once the Policyholder is no longer disabled (subject to Article 26a of the OPA), dies or reaches retirement age.

20.5 The entitlement to the retirement capital will arise when the Policyholder reaches retirement age.

20.6 If the level of disability increases due to the same condition once the Policyholder has left employment, no benefits will be payable.

20.7 The full annual disability pension payable must be as set forth in the pension plan.

21 Disabled person's child pensions

21.1 Any Policyholder who is entitled to a disability pension is also entitled to disabled person's child pensions for each child who would be eligible to claim an orphan's pension in the event of his/her death. The provisions governing orphan's pensions apply mutatis mutandis.

21.2 The disabled person's child pension payable annually must be as set forth in the pension plan.

22 Contribution exemption

22.1 Where the pension plan so provides, the employer and the Policyholder shall, subject to any waiting period specified in the pension plan, be exempted from the obligation to pay contributions from the date on which the Policyholder becomes unable to perform his or her work.

22.2 In determining the extent to which the Policyholder is unable to perform his/her work, or engage in gainful employment, the Foundation may refer to any medical examination conducted by an independent medical examiner.

22.3 If the Policyholder is not disabled for IV purposes, the contribution exemption will cease to apply once the Policyholder has exited the Foundation.

22.4 Disability will give rise to a contribution exemption based on the scale set out in clause 24.2. The exemption will continue for as long as the disability subsists (subject to Art. 26a OPA), but must cease to apply on reaching retirement age.

22.5 Except as otherwise provided, the provisions governing disability pensions apply mutatis mutandis.

D Death benefits

23 Spouse's pension

23.1 The spouses of deceased Policyholders or pension recipients are entitled to a spouse's pension.

23.2 Spouses are only entitled to survivors' benefits if the deceased:
a) was insured on the date of death or upon the onset of any condition that prevented the Policyholder from working and resulted in his/her death; or
b) was in receipt of a disability pension from the Foundation at the time of death.

23.3 Entitlement commences upon the death of the Policyholder or pension recipient, but no earlier than the date on which any continuing salary payments cease or entitlement to a disability pension ceases.

23.4 Entitlement to the spouse's pension will cease upon the death or remarriage of the spouse. If the spouse remarries, he/she 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. There will be no further entitlement to a pension once the lump-sum settlement has been paid out.

23.5 The level of the spouse's pension must be as set forth in the pension plan.

23.6 If the spouse is more than 10 years younger than the Policyholder, the spouse's pension will be reduced in accordance with the rules governing collective insurance rates. The following reductions apply (as at 2017):

- The amount of the spouse's pension will be reduced by 1% for every full or part of a year by which the spouse was more than 10 years younger than the Policyholder.
- If the marriage took place after the age of 65, the spouse's pension will further be reduced by 20% for each full or part of a year over the age of 65.
- The Foundation shall not pay out any benefits if the marriage took place after the age of 69 or if, at the time of marriage, the Policyholder was aged 65 or above and was suffering from a serious condition of which he/she was aware, which resulted in his/her death within two years of marrying.

24 Partner's pension

24.1 The paragraphs governing partner's pensions below only apply if the pension plan stipulates that the insurance covers partner's pensions as well as spouse's pensions.

24.2 If the Policyholder in active employment dies before reaching retirement age, leaving a surviving partner rather than a spouse, the surviving partner is entitled to a partner's pension equal to the level of a spouse's pension.

24.3 Partners are only entitled to survivors' benefits if they

- were cohabiting with the Policyholder as his/her partner for a continuous period of five years prior to death; or
- were cohabiting with the Policyholder as his/her partner at the time of death and are required to provide financial support to one or more of the couple's children who are eligible to claim an orphan's pension under these Pension Fund Regulations.

In addition, the partner may not

- be married;
- be related to the Policyholder, or be the stepchild of the Policyholder; or,
- be in receipt of a spouse's pension or partner's pension under a pillar 2 or OASI insurance institution.

24.4 Beneficiaries are not entitled to a partner's pension if they are already in receipt of a survivor's pension under a Swiss or foreign pension institution on the basis of a previous marriage or partnership.

24.5 The maximum benefits paid out by the Foundation are equal to 100% of the spouse's pension. The provisions governing spouse's pensions apply mutatis mutandis.

25 Orphan's pension

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

25.2 Entitlement arises upon the death of the Policyholder or pension recipient, but no earlier than the date on which any continuing salary payments cease or entitlement to a disability pension ceases. Entitlement will cease if the orphan dies, or once the orphan has reached the age of 18. However, entitlement will continue up to the age of 25:
- for children who are still studying, until they have completed their education;
- for children who are at least 70% disabled.

25.3 The level of the orphan's pension is defined in the pension plan.

26 Lump-sum death benefits

26.1 If a Policyholder in active employment dies before reaching retirement age, a lump-sum death benefit must be paid out. The following individuals are eligible (in equal shares, where applicable):

a) any eligible spouse under these Pension Fund Regulations or any eligible orphans under these Pension Fund Regulations;

b) in the absence of any beneficiaries under a) above: individuals who have received substantial financial support from the Policyholder, any individual who has been cohabiting with the Policyholder on a continuous basis for a period of least five years prior to his/her death, or is required to support one or more of the couple's children financially;

c) in the absence of any beneficiaries under b) above: children of the deceased who do not satisfy the requirements set out in clause 25, parents or siblings.

Beneficiaries who are in receipt of a spouse's pension or have received a lump-sum settlement equivalent to such an entitlement are not eligible to claim survivors' benefits.

The Policyholder may determine the level of entitlements due to specific groups of beneficiaries (items a to c above) as he/she sees fit by notifying the Foundation in writing.

In the absence of any such notification from the Policyholder, the beneficiaries within a group of beneficiaries are entitled to the lump-sum death benefit in equal shares.

26.2 The amount of the lump-sum death benefit corresponds to the available retirement savings less
- all pension benefits already paid out to the deceased, and
- the present value of all pensions and lump-sum settlements triggered by the deceased's death. In this respect, the maximum period for benefit payments is deemed to apply to orphan's pensions.

26.3 The level of any additional lump-sum death benefit, including any additional lump-sum death benefit to the value of any buy-ins made, must be as set forth in the pension plan.

E Common provisions governing benefits

27 Cost-of-living adjustments

27.1 The pension fund commission shall, insofar as is financially feasible for the pension provider in question, adjust current pensions in payment.

28 Relationship with other insurance schemes

28.1 In the event of a claim under the Swiss Accident Insurance Act (hereinafter the «AIA» – Bundesgesetz über die Unfallversicherung, UVG) or the Swiss Act on Military Insurance (hereinafter the «AMI» – Bundesgesetz über die Militärversicherung, MVG), the applicable retirement, death or disability benefits will always have priority. The Foundation shall not pay out any benefits unless otherwise provided in the pension plan.

28.2 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 Pension Fund Regulations will be granted on a pro rata basis.

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

29 Conditions applying to reductions and coordination

29.1 If the death and disability benefits payable by the Foundation, together with qualifying statutory benefits, including

- OASI/IV;
- mandatory accident insurance;
- military insurance;
- domestic and foreign social security;
- insurance cover in respect of which the employer or a foundation, in lieu of the employer, has paid at least 50% of the premiums;
- plus any gross income from employment and income from employment or replacement income that could reasonably be earned in future by a disability pension claimant (excluding any additional income that would be earned during participation in any rehabilitation measures pursuant to Art. 8a of the Swiss Invalidity Insurance Act (Bundesgesetz über die Invalidenversicherung, IVG)

result in an income greater than 90% of the annual salary used as a basis for calculating the insurance benefits, the benefits payable by the Foundation will be reduced by the amount exceeding 90%.

If the benefits payable by the Foundation are reduced due to a drawdown of funds for home ownership purposes, the full amount of benefits must be included in the calculation of the reduction.

If, in the event of a divorce, the share of pension awarded to the eligible spouse will still be included in the calculation of any reduction in disability pension due to the Policyholder.

29.2 Benefit claimants shall assign to the Foundation any claims that they may have against liable third parties to the full extent of any benefits the Foundation is obliged to pay.

29.3 The Foundation may reduce its benefits by an equivalent amount if the OASI/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 rehabilitation measures.

The Foundation is under no obligation to compensate for any shortfall where benefits of the OASI/IV scheme, mandatory accidence insurance or federal military insurance benefits have been refused or reduced. In such circumstances, the full amount of benefits must be included in any calculation pursuant to paragraph 1.

The provisions of Art. 21 of the Swiss Federal Act on General Aspects of Social Security Law (Bundesgesetz über den Allgemeinen Teil des Sozialversicherungsrechts, ATSG) apply.

29.4 The Foundation will not make any advance payments.

29.5 If the disability or death is caused by some deliberate act, no benefits will be paid out. The foregoing provision will also apply if the disability or death was caused by the Policyholder's active involvement in war, hostilities or civil unrest, other than a war waged by Switzerland or hostilities in which Switzerland is involved.

30 Payment of pensions

30.1 Pensions due under these Pension Fund Regulations must generally be paid in advance on a quarterly basis on the first day of a calendar quarter. Where the obligation to pay out benefits commences part-way through a quarter or month, a proportion of the relevant amount will be paid.

30.2 Upon cessation of the payment obligation, pensions will continue to be paid in line with the time period selected, either for the full quarter or full month. If the Policyholder recovers full capacity for work or reaches retirement age, pension payments must, in all cases, cease to be payable at the end of the month in question.

30.3 In the event of any change in the degree of disability, pensions must be calculated on a daily basis.

30.4 If a current pension in payment is replaced by a survivor's pension, the new pension will first be paid at the beginning of the following quarter or month.

30.5 Withholding tax may be deducted.

31 Lump-sum settlements

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

Once a lump-sum settlement has been paid out, there will be no further entitlement to benefits from the Foundation to the extent of the sum paid out.

31.2 Withholding tax may be deducted.

32 Reimbursement of benefits wrongly received

32.1 Any benefits wrongfully received must be reimbursed. The right to claim a refund may be waived if the benefit recipient acted in good faith and the repayment of benefits would cause unreasonable hardship.

32.2 A right to claim a refund will lapse one year after the Foundation becomes aware of the wrongful payment, but no later than five years after the benefits were paid out. In the event that a repayment is claimed by reason of a criminal offence and a longer limitation period is prescribed under criminal law, the statutory limitation period will apply.

33 Data protection provisions

33.1 The Foundation may enter into a collective life insurance contract with a life insurance company to cover the risks of death and disability. All rights and obligations under the collective life insurance contract will accrue exclusively to the Foundation and the insurance company. Beneficiaries will have no direct rights or claims against the life insurance company concerned.

33.2 The Foundation may pass on data to the insurance company for processing, insofar as such information is required by the insurance company for the purpose of assessing applications, implementing contracts and settling claims (names, dates of birth, medical records, insurance decisions, etc.). The Policyholder shall assist the Foundation and any insurance company in obtaining information and documents.

33.3 The Foundation may require employers to automatically disclose to it any employee absences after a specified date (employer’s obligation to cooperate in accordance with clause 2 of the Organisational Regulations). The Foundation shall, in consultation with the policyholder, take any measures that may be required to expedite or ameliorate the process of reintegration into the workforce.

33.4 Certain aspects of IT will be performed by subsidiaries (including subsidiaries abroad). In certain circumstances, the employees of such subsidiaries may be able to access personal data from Switzerland. However, Switzerland remains the physical storage location for personal data.

IV Promotion of home ownership

34 Promotion of home ownership

34.1 Policyholders may either pledge their rights by way of security or make an early withdrawal of funds and use these directly for the purposes of financing a home for their own use.

34.2 The promotion of home ownership scheme may be used to purchase or build residential property, invest in residential property (purchase shares in cooperative residential associations, shares in a tenant public limited company, grant a participating loan to not-for-profit residential organisations), meet mortgage redemption obligations or repay existing mortgages on a voluntary basis.

34.3 «Residential property» means an apartment or single-family home which is solely owned or co-owned or owned jointly by the Policyholder and his/her spouse, or which is granted a distinct and permanent right to build.

34.4 «Own use» means that the Policyholder occupies the residential property at his/her place of residence or usual place of abode. If the Policyholder is temporarily unable to use the residential property, the property may be let for the period in question.

35 Early withdrawal

35.1 Policyholders may make an early withdrawal of funds up to three years prior to retirement age; they must obtain written consent, which must be officially certified where necessary, from their spouse. The Foundation shall verify the signature and may require further evidence from the Policyholder where necessary. If it is not possible to obtain consent, or consent is withheld without good reason, the Policyholder may bring the matter before the courts.

35.2 In addition, early withdrawals of funds may only be made every five years and at least CHF 20,000.00 must be withdrawn. No minimum amount applies to investments in residential property.

Where buy-ins have been made, no benefits in the form of a lump-sum payment may be withdrawn from the pension fund over the next three years.

35.3 The amount available for withdrawal essentially equates to the vested benefits. After age 50, the maximum that may be drawn down is the higher amount calculated in accordance with a) and b) below:

a) the vested benefits at age 50,
plus any repayments made after the age of 50,
less any early withdrawals or pledged assets realised after the age of 50;

b) 50% of the difference between the vested benefits available at the time the early withdrawal is made and any vested benefits previously used for home ownership purposes at the time in question.

35.4 Any early withdrawal will have the effect of reducing the benefits paid out in the case of an insured event. On making any early withdrawal, the Foundation shall inform the Policyholder of the new benefit and contribution levels.

Additional insurance may also be arranged, other than through the Foundation, to cover any gaps in coverage. In order to obtain an offer for this purpose, the Policyholder may either contact an insurance company of his/her choice, or obtain an offer through the Foundation.

35.5 In the event of an early withdrawal, the Foundation shall pay the funds required for home ownership purposes directly to the creditor or payee concerned within six months of receipt of the application from the Policyholder. If it is impracticable or unreasonable to pay the funds within six months for reasons of liquidity or due to underfunding, any sums required to realise pledged assets will be paid out first, followed by any sums required to purchase property or construct a new home and, finally, any sums required to repay mortgages. In the event of a liquidity shortage, the Foundation shall make detailed arrangements in order of priority and notify the supervisory authority accordingly.

35.6 The pension objective of the funds withdrawn will be secured by making a note to this effect in the land register or depositing cooperative share certificates with the Foundation. The note in the land register may be deleted:

- three years prior to the date on which entitlement to old-age benefits arises;
- following the occurrence of any other insured event;
- in the case of cash disbursements of the vested benefits;
- on production of evidence that the amount invested in the residential property has been transferred to the Policyholder's foundation or vested benefits institution.

35.7 Pension assets may only be used to purchase shares in cooperative residential associations if the rules of the association provide that on exiting the association the pension assets used by the Policyholder will be transferred either to another cooperative residential association or another residential organisation in respect of the Policyholder's owner-occupied home, or an occupational pension scheme. The foregoing provisions apply mutatis mutandis to shares in a tenant public limited company or any other not-for-profit residential organisation.

35.8 On making any early withdrawal, the Policyholder shall immediately pay the appropriate tax. In the event that the early withdrawal is reversed, the tax authorities shall refund any tax paid at the time without interest. The Foundation shall prepare the official certifications required for such purpose within the time limits prescribed by law.

35.9 The Policyholder, or the heirs to his/her estate, must repay to the Foundation any amount withdrawn in advance if

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

The transfer of title may only be effected in the land register once the repayment has been made.

If the Policyholder again intends to use the proceeds of any sale of residential property, equal to the amount withdrawn in advance, for home ownership purposes within a period of two years, he/she may transfer the amount concerned to a vested benefits institution.

The obligation to repay only extends 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.

35.10 The Policyholder also has the option of repaying the amount withdrawn in advance on a voluntary basis up to three years prior to becoming eligible to claim old-age benefits, unless another insured event has occurred or a cash disbursement of vested benefits is required. The minimum amount that may be repaid is CHF 10,000 the Foundation shall prepare the official certifications required for such purpose within the time limits prescribed by law.

36 Pledge of assets

36.1 Assets may be pledged up to three years prior to becoming eligible to claim old-age benefits; where applicable, the Policyholder must obtain the written consent of his/her spouse. If it is not possible to obtain consent, or consent is withheld without good reason, the Policyholder may bring the matter before the courts.

36.2 The amount available in respect of any pledge of assets essentially equates to the vested benefits. After age 50, the maximum that may be pledged by way of security is the higher amount calculated in accordance with a) and b) below:
a) the vested benefits at age 50,
plus any repayments made after the age of 50;
less any early withdrawals or pledged assets realised after the age of 50;
b) 50% of the difference between the vested benefits available at the time the early withdrawal is made and any vested benefits previously used for home ownership purposes at the time in question.

36.3 The pledge of assets will take effect once the Policyholder has notified the Foundation of the pledge by registered letter, indicating the pledgee concerned. The Foundation shall thereupon assess whether all requirements for the creation of a security interest have been met.

36.4 The consent of the pledgee 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 institution.

36.5 In the event that the pledge is enforced, the same effects as an early withdrawal will ensue.

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

V Divorce of married policyholders

37 General policy

37.1 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 ZGB; where required to do so by the Policyholder or divorce court, the Foundation shall provide information regarding the assets to be factored into this calculation.

38 Policyholders

38.1 The relevant share will be transferred to the Policyholder's spouse and the provisions governing termination of employment apply mutatis mutandis. The court shall notify the Foundation ex officio of the amount to be transferred and provide the required information regarding maintenance of coverage.

38.2 In the case of an insured event, the transfer of assets will have the effect of reducing the benefits payable, although the Foundation shall permit the Policyholder to make additional buy-ins in the amount of the assets transferred. The provisions governing entry into the Foundation apply mutatis mutandis.

In the event of a transfer of assets, retirement savings under the plan will be reduced accordingly.

If the Policyholder does not make additional buy-ins, the Foundation shall notify the Policyholder of the new benefit and contribution levels at the time of transfer.

Additional insurance may also be arranged, other than through the Foundation, to cover any gaps in coverage resulting from a transfer of vested benefits. In order to obtain a detailed offer for this purpose, the Policyholder shall contact an insurance company of his/her choice. The Foundation may provide an offer upon request.

39 Pension beneficiaries

39.1 Conversion of share of pension into a lifetime pension

The Foundation shall convert any share of pension, which has been awarded to an eligible spouse, into a lifetime pension using the mandatory formula or basis for assessment prescribed by law.

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

39.2 Apportionment in the event of deferred old-age benefits

If the Policyholder has reached normal retirement age when divorce proceedings are initiated and has deferred his or her claim to old-age benefits, the pension assets available at the time will be divided in the same way as the vested benefits.

39.3 Adjustment of disability pension following division of pension rights

Where a share of pension is transferred to a divorced spouse, any disability pension currently in payment will be reduced insofar as the disability pension calculated includes the retirement savings under the Pension Fund Regulations that had accumulated prior to commencement of eligibility.

Any reduction must 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, relative to the current disability pension, may not exceed the proportion of vested benefits to be transferred relative to the total vested benefits.

The reduction will be determined in accordance with the plan rules on the basis of which the disability pension was calculated. In calculating the reduction, the date on which divorce proceedings were initiated is determinative.

If, in the event of a divorce, a disability pension is to be split on reaching normal retirement age, the share of pension awarded to the eligible spouse will still be included in the calculation of any reduction in disability pension due to the Policyholder.

39.4 Division of pension rights in the event of a reduction in disability pension prior to reaching normal retirement age

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

However, the amount may be used for the purpose of dividing pension rights if the disability pension would not be reduced in the absence of any entitlements to child pensions.

39.5 Arrangements for transferring pension shares awarded to a pension provider or vested benefits institution

The Foundation shall transfer any lifetime pension awarded to the pension fund or vested benefits institution of the eligible spouse. The transfer will comprise the pension due for the calendar year in question and must be carried out prior to 15 December of the year in question.

If any entitlement to a disbursement of retirement or disability benefits arises during a given year, or the eligible spouse dies, the transfer will comprise the pension due from the start of the year in question up to that date.

The eligible spouse shall inform his/her pension fund or vested benefits institution of any entitlement to a lifetime pension and the name of the Policyholder's foundation. The eligible spouse shall inform the Foundation by no later than 15 November of the year in question of any change of pension fund or vested benefits institution.

If the Foundation has no information regarding the pension fund or vested benefits institution of the eligible spouse, it shall transfer the relevant amount no earlier than six months and no later than two years after the date set for such transfer to the Substitute Occupational Benefit Institution. It shall make the following transfers to the Substitute Occupational Benefit Institutionon an annual basis until it receives the information required under paragraph 3.

The Foundation shall pay interest on the annual amount to be transferred equal to 50% of the applicable plan interest rate for the year in question.

In lieu of transferring pension payments, the Foundation may transfer a lump sum by agreement with the eligible spouse.

40 Disclosure of information

40.1 In the event of divorce, the Foundation shall, upon request, provide the following information to the Policyholder in addition to the information required by law:
- any early withdrawal of vested benefits for home ownership purposes and the amount withdrawn;
- the level of vested benefits at the time of any withdrawal;
- any pledge of vested termination or pension benefits and the amount pledged;
- the projected amount of the retirement capital;
- any lump-sum payments made;
- the amount of the disability pension;
- any reduction in disability benefit and the amount of such reduction, and whether the pension will be reduced because of concurrent payments under the accident or military insurance schemes and in such event, whether it would also be reduced in the absence of entitlement to child pensions;
- the level of vested benefits to which the claimant of a disability pension would be entitled after discontinuation of the disability pension;
- any reduction in disability pension pursuant to Art. 24(5) OPA;
- any other information that may be required for the purpose of dividing pension rights.

VI Contributions

41 Obligation to pay contributions

41.1 The obligation to pay contributions commences on the date of admission to the Foundation.

41.2 The obligation to pay contributions ceases upon the death of the Policyholder, but no later than the date on which the Policyholder reaches retirement age or the date of early exit from the Foundation due to termination of employment or the likelihood that the Policyholder will earn less than the minimum salary required for compulsory insurance on permanent basis.

The foregoing is without prejudice to any exemption from contributions in the event of disability.

41.3 Contributions will be calculated on a daily basis and payable pro rata temporis in relation to the month of admission or exit.

41.4 The employer shall deduct any contributions payable by the Policyholder from salary or any allowance replacing salary in equal instalments. The terms of payment will be as set forth in the Terms and Conditions.

41.5 The employer shall pay the employer contributions from the employer’s own funds or from accrued contribution reserves previously set aside for such purpose which will be shown separately in the financial statements of the Foundation.

41.6 If the pension provider has its own non-committed funds, the pension fund commission may decide that a proportion of contributions will be charged to the non-committed funds of the pension provider. Any exemption from contributions in favour of the Policyholder must, in aggregate, be at least equal to the amount of any exemption in favour of the employer.

42 Contribution levels

42.1 The contribution rates required to fund retirement credits on an annual basis are set out in the pension plan. Any additional contributions will be used to fund risk insurance cover, administration costs and advisory and relationship management fees and must be itemised separately on individual insurance certificates.

42.2 Monthly deductions must be equal to one-twelfth of the annual amount due from the Policyholder.

43 Buy-ins for early retirement

43.1 The Policyholder may, prior to the occurrence of any insured event, purchase additional cover to offset any shortfall in benefits on taking early retirement, provided that the Policyholder has purchased full benefits under the plan. The maximum buy-in permitted to offset any shortfall in benefits on taking early retirement is equal to

- the total savings contributions, without interest, that would have been payable in the seven years prior to reaching normal retirement age.

43.2 Pillar 3a assets from self-employment, vested benefits that are not required to be transferred to the Foundation and savings capital exceeding the maximum permitted retirement savings must be factored into the calculation in accordance with statutory provisions. The Policyholder shall provide any documents and confirmations that the Foundation may require prior to any proposed buy-in.

43.3 If, notwithstanding any additional buy-in in respect of early retirement, the Policyholder continues to be gainfully employed beyond the retirement age selected, no further savings contributions may be collected, once the Policyholder has reached the earliest possible retirement age, for as long as the available retirement savings exceed the maximum permitted. In addition, a stop on investment payments may be applied. The target benefits under the plan may be exceeded by not more than 5% as at the actual date of retirement. Any surplus retirement savings will revert to the Foundation.

43.4 Except as otherwise provided herein, the provisions governing entry and increases to benefits apply mutatis mutandis.

VII Termination of employment

44 Vested benefits: entitlement

44.1 Any Policyholder who leaves employment with the employer without claiming any retirement, death or disability benefits of the Foundation, as described in these Pension Fund Regulations, is entitled to vested benefits.

44.2 Policyholders may claim vested benefits if they exit the Foundation between the age of 58 and retirement age and continue to be gainfully employment or are registered as unemployed.

45 Vested benefits: amount

45.1 The amount of the vested benefits corresponds to the actual value of the pension assets on the date of exiting the Foundation

45.2 Vested benefits will be payable on exiting the Foundation. No interest will be accrued after the due date on the benefits payable on exiting the foundation

46 Vested benefits: statement

46.1 The Foundation shall prepare a statement of vested benefits for the Policyholder upon termination of employment. The statement shows the calculation of vested benefits, the level of vested benefits at age 50 and as at the date of marriage or on 1 January 1995 (for Policyholders who married prior to 1 January 1995), any early withdrawals or pledges of vested benefits for home ownership purposes and the amounts thereof, and the level of vested benefits and any pension shares transferred by way of dividing pension rights upon divorce.

46.2 Upon exiting the Foundation, any existing health exclusion will be noted on the vested benefits statement for the attention of the new pension institution.

46.3 Upon exiting the Foundation, any early withdrawal, or amount pledged, of funds to finance home ownership will be noted on the vested benefits statement for the attention of the Policyholder's new pension institution.

47 Maintenance of coverage

47.1 The Foundation shall maintain the Policyholder's vested benefits for the purposes of pension provision and transfer such benefits to the Policyholder's new pension institution. In the event that the Foundation is obliged to pay out benefits subsequently, the Policyholder's new pension institution 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.

47.2 If the vested benefits cannot be transferred to the Policyholder's new pension institution, the Policyholder 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 Policyholder on termination of employment.

47.3 If the Policyholder has not given any indication as to how his/her vested benefits should be appropriated within the time period specified by the Foundation, the Foundation shall transfer the vested benefits, without interest, no earlier than six months and no later than two years thereafter to the Substitute Occupational Benefit Institution OPA.

48 Cash disbursement

48.1 Cash disbursements of vested benefits may only be made:
a) to Policyholders who are leaving Switzerland permanently;
b) to Policyholders who become self-employed and are no longer subject to the mandatory occupational pension regime;
c) if the value of vested benefits is less than a single annual contribution payable by the Policyholder.

Cash disbursements may only be made to married Policyholders if written consent, which must be officially certified where necessary, has been obtained from their spouse. If it is not possible to obtain consent, or consent is withheld without good reason, the Policyholder may bring the matter before the courts.

48.2 Policyholders may not require a cash disbursement under paragraph 1a) above if they are resident in Liechtenstein.

48.3 Any request for a cash disbursement must be submitted to the Foundation together with supporting documents. The Foundation shall verify entitlement and may require further evidence from the Policyholder where necessary.

48.4 Withholding tax may be deducted.

49 Follow-up coverage

49.1 Upon exiting the Foundation, the Policyholder will continue to be covered against death and disability risks, to the extent of the benefits available under the plan, until he/she takes up new employment at a new employer or new pension arrangements commence, for a maximum period of one month from the date of exit without collection of the corresponding risk premiums.

49.2 If an insured event occurs during the period of continued coverage, any vested termination benefits previously paid must be refunded to the extent required to meet the relevant benefit payments. Otherwise, the Foundation will reduce any benefits that fall due accordingly.

VIII Organisation of the foundation

50 Pension fund commission

50.1 The pension fund commission is responsible for managing the pension provider in accordance with the Organisational Regulations. It is composed of not less than two members. Employers and employees have the right to have the same number of representatives serving on the pension fund commission.

51 Board of Trustees

51.1 The Board of Trustees shall take the measures required to accomplish the object of the Foundation and shall ensure that the pension fund commission also complies with legislative provisions, the provisions of the Foundation Deed and the rules and regulations applying to the pension plan.

51.2 Details on the composition, election of members and organisation of the Board of Trustees are as set forth in the charter and Organisational Regulations.

52 Duty of confidentiality

52.1 Members of the pension fund commission and all other parties involved in operating, monitoring or supervising the Foundation are under an obligation to keep confidential any information regarding the personal and financial circumstances of Policyholders and the employer. Any exceptions are set out in the ordinances and directives of the Federal Council.

52.2 Personal data pertaining to Policyholders, which are required for the purposes of occupational pension provision, may be passed on to reinsurers and relevant distribution partners.

52.3 The Foundation shall take the necessary measures to ensure that data is protected.

53 Underfunding

53.1 If the projected coverage ratio, as calculated in December in accordance with Art. 44 OPO 2, is below 100%, the following measures may be taken to eliminate the underfunding:

- Collection of non-repayable restructuring contributions from Policyholders and the employer. The employer's contribution must be equal to or greater than the total contributions payable by employees.

  Restructuring contributions will be calculated as a percentage of risk contributions and contributions to administrative costs. The relevant percentage will be determined by the Board of Trustees.
- Collection of contributions from pension recipients. These contributions will be collected by offsetting the contribution amount against pensions currently in payment. Contributions will only be collected on any component of current pensions which was generated from increases other than those prescribed by law or under plan rules in the 10 years prior to the introduction of this measure. The pension amounts applying when entitlement to a pension accrued will be guaranteed in all circumstances. Contribution levels will be determined by the Board of Trustees.
- Concurrent reduction in the amount of funds withdrawn in advance used to repay mortgages under the promotion of home ownership scheme or denial of permission to make early withdrawals for this purpose. The Board of Trustees shall define the applicable restrictions.
- Blanket or temporary reduction in future entitlements (prospective claims).

In making decisions regarding such measures, the pension actuary must be consulted.

53.2 In the event of underfunding, the employer may make deposits into a separate reserve account for employer's contributions with declaration of renounced use, and also transfer funds from the regular employer contribution reserve to such account.

Funds deposited may not exceed the amount of the underfunding and no interest is payable. Deposits may not be used for benefit payments, pledged, assigned or reduced by any another means.

Once the underfunding has been eliminated completely, the employer contribution reserve with declaration of renounced use must be dissolved and transferred to the regular employer contribution reserve. Early dissolution of part of the reserve is not permitted.

53.3 The Foundation shall inform the supervisory authority of any underfunding and decisions taken with regard to restructuring measures. The restructuring plan drawn up by the pension actuary must be submitted to the supervisory authority for information purposes. The matter must be reported, at the latest, following preparation of the annual financial statements in which the underfunding is recorded.

53.4 The Board of Trustees shall prepare a circular letter to be sent to Policyholders and pension recipients setting out full details of the gap in coverage, 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.

53.5 The pension actuary shall review the effectiveness of the restructuring measures defined on an annual basis. As part of conducting such review, the pension actuary shall prepare an annual report to be submitted to the supervisory authority. If, during the review, it is established that the objective defined in the restructuring plan has not been achieved, the Board of Trustees shall determine what further measures should be taken to eliminate the gap in coverage.

IX Concluding provisions

54 Place of performance

54.1 To enable the Foundation to settle claims, claimants shall ordinarily provide details of a bank or post 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 will be the place of performance. The foregoing is without prejudice to international treaties to the contrary.

55 Place of jurisdiction

55.1 The place of jurisdiction is the defendant's registered office or place of residence in Switzerland or the location of the company at which Policyholder was employed.

56 Assignment and pledge of assets

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

57 Limitation period

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

57.2 Claims relating to regular contributions and benefits become time-barred after five years and other claims after 10 years. The relevant provisions of the Swiss Code of Obligations apply mutatis mutandis.

58 Partial liquidation

58.1 The procedure applying to partial liquidation will be defined in separate regulations.

59 Relationship to EU law

59.1 Where applicable, the following provisions take precedence for Policyholders and members of their families in relation to benefits falling within the scope of these Pension Fund Regulations:

- 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 dated 21 June 1999 (Agreement on the Free Movement of Persons) (Abkommen vom 21. Juni 1999 zwischen der Schweizerischen Eidgenossenschaft einerseits und der Europäischen Gemeinschaft und ihren Mitgliedstaaten andererseits über die Freizügigkeit; Freizügigkeitsabkommen) as this relates to the coordination of social security systems;
- Agreement dated 21 June 2001 amending the Convention establishing the European Free Trade Association of 4 January 1960 (revised EFTA Convention) (Abkommen vom 21. Juni 2001 zur Änderung des Übereinkommens vom 4. Januar 1960 zur Errichtung der Europäischen Freihandelsassoziation; revidiertes EFTA-Abkommen) as this relates to the coordination of social security systems.

60 Omissions in the Pension Fund Regulations

60.1 If any provision, or provisions, regarding specific situations have been omitted from these Pension Fund Regulations, the Board of Trustees shall adopt provisions that are compatible with the object of the Foundation.

61 Amendments to the Pension Fund Regulations

61.1 The Board of Trustees shall amend the Pension Fund Regulations, in particular to reflect changes to legislative provisions and regulatory rules. In amending the regulations, the Board of Trustees shall ensure that the accrued entitlements of Policyholders are safeguarded. Any amendments to the regulations must be notified to the supervisory authority.

61.2 The pension fund commission may make amendments to the pension plan. However, the Board of Trustees is responsible for implementing such amendments. Any amendments will generally take effect at the start of the new calendar year.

62 Transitional provisions

62.1 If any amendment to the Pension Fund Regulations results in an increase in benefits, the new higher level of benefits only applies to Policyholders who are or were 100% able to work at the time the amendment was made and in the preceding 12 months.

63 Entry into force

63.1 These Pension Fund Regulations were approved by the Board of Trustees and enter into force on 1 January 2020 and replace all earlier provisions.

Schwyz, 4 September 2020

Tellco Pension Solutions 1e
Board of Trustees

Peter Hofmann Chairman	Pierre Christen Member

In case of differing interpretations, the German text is authoritative.

Appendix 1

Conversion rates

1 Retirement benefits

1.1 Upon retirement, policyholders will only be entitled to the retirement capital. Drawing an old age pension will not be possible. The Pension Fund Regulations therefore do not include any conversion rates for converting retirement savings capital into an old age pension.

2 Verification of suitability according to Articles 1 and 1a of the OPO 2

2.1 The Foundation uses an arithmetical conversion rate of 3.6% (population census 2015, technical interest rate 0.0%, generation table, men and women aged 65) to verify the suitability of pension plans.

Schwyz, 4 September 2020