



# Pension plan regulations

## Vita Select

**Vita Select Collective Foundation  
of Zurich Life Insurance Company Ltd, Zurich**

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## Pension plan regulations

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# Pension plan regulations

## Edition 2024

### 1 Introduction

#### 1.1 What terms and abbreviations are used?

##### **Foundation**

Vita Select Collective Foundation of Zurich Life Insurance Company Ltd, Zurich

##### **Zurich**

Zurich Life Insurance Company Ltd, Zurich

##### **Affiliation contract**

Contract between the Foundation and the employer in which the employer outsources administration of the supplementary pension plan to the Foundation

##### **Employer**

A company which becomes an affiliate of the Foundation for the administration of an occupational pension plan

##### **AHV**

Swiss Federal Old Age and Survivors' Insurance

##### **ATSG**

Swiss Federal Law on General Provisions concerning Legislation on Social Insurances

##### **BVG**

Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans

##### **BVV 2**

Ordinance on occupational retirement, survivors' and disability pension plans

##### **Registered partners per PartG (Partnerships Act)**

For the duration of a registered partnership, the registered partners have the same rights and obligations as a married couple under these pension regulations. If a registered partner dies, the surviving partner is deemed equivalent to a surviving spouse.

The legal dissolution of a registered partnership is deemed equivalent to divorce.

##### **FZG**

Swiss Federal Law on Vesting in Retirement, Survivors' and Disability Pension Plans

##### **FZV**

Federal Ordinance on Vesting in Retirement, Survivors' and Disability Pension Plans

##### **IV**

Swiss Federal Disability Insurance

##### **Administration Committee**

A company affiliated with the Foundation forms an administration committee constituted of employee and employers' representatives (the administration committee is a board of the Foundation)

##### **MVG**

Swiss Federal Law on Military Insurance

##### **SIFO**

LOB Guarantee Fund

##### **Swiss Code of Obligations**

Swiss Code of Obligations

##### **PartG**

Swiss Federal Law on Registered Same-Sex Partnerships

##### **Partner**

The following persons are considered to be partners in the context of the pension regulations:

- A spouse
- A registered partner pursuant to the Law on Registered Same-Sex Partnerships (PartG)
- An unmarried person not related to the insured person who lived continuously with the insured person in the same household for the five years prior to his / her death in a marriage-like relationship
- An unmarried person not related to the insured who had lived with the deceased in the same household at the time of his / her death and is responsible for supporting one or more of their joint children

##### **UVG**

Swiss Federal Law on Compulsory Accident Insurance

##### **Pension fund**

Organizationally but not legally independent pension fund of the affiliated company.

##### **LIC**

Swiss Federal Law on Insurance Contracts

##### **ZGB**

Swiss Civil Code

#### 1.2 What is the purpose of supplementary pension plans?

The purpose of supplementary pension plans is to provide group protection for the insured persons and their surviving dependents against the economic consequences of loss of earnings on retirement, upon death or in the event of disability. The benefits paid out by the Foundation are intended to supplement AHV / IV and mandatory occupational retirement plan benefits.

#### 1.3 How is the supplementary pension plan organized?

<sup>1</sup> For administration of the supplementary pension plan, the employer becomes affiliated with the Foundation under the terms of the affiliation contract. It is incumbent upon the Foundation Board to manage the Foundation. The Foundation Board represents the Foundation vis-à-vis third parties, decides how the Foundation should be organized and how administrative tasks in connection with the Foundation should be executed.

<sup>2</sup> Within the Foundation there is an independent fund called the pension fund. The Administration Committee of the company affiliated with the Foundation is responsible for the management of the pension fund. The composition and duties of the Administration Committee are set forth in the organizational regulations.

<sup>3</sup> To ensure the provision of benefits in the event of death or disability and for the purchase of retirement benefits according to para. 4.4.2 sec. 2, the Foundation has concluded a collective life insurance agreement with Zurich, whereby the Foundation itself is both policyholder and beneficiary. The foundation board reserves the right to adjust the reinsurance, to co-insure the longevity risk or to conclude collective life

insurance contracts with other life insurance companies.

<sup>4</sup> The profit shares arising under the group life insurance contract between Zurich and the Foundation are credited to the employer's pension fund on a pro rata basis in accordance with the provisions of the regulations. The profit shares are used in accordance with the resolution of the Administration Committee.

#### 1.4 How are the investments made?

Pension savings are invested by the Foundation on behalf and for the account of the pension fund. The insured persons decide how their retirement savings capital will be invested based on the pension fund's specified investment strategies, in line with Foundation guidelines. The particulars are determined by sub-paragraph 6 of these regulations.

## 2 On what basis is the supplementary pension plan calculated?

### 2.1 Which age calculations apply to supplementary pension plans?

#### 2.1.1 Age for calculating contribution and benefit

The respective age attained, expressed in years and months, applies to the calculation of contributions and benefits. The time from the date of birth to the first day of the following month is not taken into consideration.

#### 2.1.2 Age that applies for the calculation of retirement credits

The age that applies for the calculation of retirement credits is defined in the pension plan.

### 2.2 When does retirement occur?

#### 2.2.1 Regular retirement age

Regular retirement shall commence on the first of the month following the date on which the age for retirement stipulated by the BVG is reached.

#### 2.2.2 Regulation retirement age

1 Regulation retirement shall commence on the first of the month following the date on which the age for retirement

stipulated in the occupational pension plan is reached.

2 The regulation retirement age shall correspond to the regular retirement age, as stated under sub-paragraph 2.2.1, provided that nothing to the contrary is specified in the occupational pension plan.

#### 2.2.3 Extended insurance coverage for employed persons beyond the regulation retirement age

<sup>1</sup> Employed persons continue to be insured as stipulated in the pension regulations after regulation retirement age, until they reach regular retirement age.

<sup>2</sup> The insured person and the employer will continue to pay contributions.

#### 2.2.4 Early retirement

<sup>1</sup> An insured person may retire early provided that he or she is retiring permanently. Early retirement may not be taken before the first of the month following the completion of the employee's 58th year of age.

<sup>2</sup> Benefits will be reduced accordingly as far as early retirement is not compensated for by voluntary financing in accordance with art. 3.7.

#### 2.2.5 Deferred retirement

<sup>1</sup> If the insured person continues, with the employer's consent, to work beyond regular retirement age, the due date of retirement benefits may be deferred until definitive termination of employment, but not after reaching the age of 70. The contributions are set out in the pension plan.

<sup>2</sup> All insured benefits expire on the regular retirement date except for retirement benefits.

<sup>3</sup> If an insured person dies during the deferred retirement period, the available retirement assets will be paid to the surviving dependents as per art. 4.5.5.

#### 2.2.6 Partial retirement

<sup>1</sup> An insured person may take partial retirement with the employer's consent at the earliest on the first of the month following their 58th Birthday. It is also possible to enter the first phase of partial retirement after the regulation retirement age, provided the criteria in accordance with art. 2.2.3 and 2.2.5 are met. Full retirement must be taken no later than on reaching the age of 70.

<sup>2</sup> Partial retirement requires that the degree of occupation be reduced accordingly and that the insured person be fully fit for work. Partially disabled persons may take partial retirement in accordance with their earning capacity.

<sup>3</sup> Partial retirement shall be in no more than three stages, each consisting of at least 20% of the full working week, whereby the retirement benefit drawn may not exceed the share of the salary reduction.

<sup>4</sup> Once partial retirement has been taken, it will no longer be possible to increase the remaining degree of occupation.

<sup>5</sup> The claim to retirement benefits will depend on the degree of retirement.

<sup>6</sup> With the exception of repurchases in the case of divorce, purchases are no longer possible after commencing partial retirement.

<sup>7</sup> The insured person is responsible for clarifying the tax treatment of partial retirement.

### 2.3 Which annual salary applies to the supplementary pension plan?

#### 2.3.1 Effective annual salary

<sup>1</sup> The effective annual salary corresponds to the estimated OASIS annual salary of the insured person. Family and children's allowances are not taken into account. If not otherwise provided for by the pension plan, salary components occurring only on occasional or provisional basis (bonuses, gratuities, special remunerations) are not considered. Entry incentives, severance pay and gifts in recognition of service are not considered to be part of the effective annual salary.

<sup>2</sup> If an insured person was not affiliated with this supplementary pension plan for an entire calendar year, the salary he or she would have earned had he or she had been affiliated with it for an entire year applies.

<sup>3</sup> If an insured person also receives a salary from another company, then that salary shall not be taken into consideration.

<sup>4</sup> In the case of insured persons whose degree of employment and/or income varies considerably, the relevant annual salary may be determined on a flat-rate basis according to the average salary of the respective occupational group.

### 2.3.2 Insured annual salary

<sup>1</sup> Calculation of pension benefits and contributions is based on the insured annual salary.

<sup>2</sup> The insurance only covers salary components of more than one and a half times the maximum salary limit under the BVG.

<sup>3</sup> The insured annual salary is stipulated in the pension plan.

<sup>4</sup> If the insured annual salary is reduced temporarily as a consequence of unemployment, maternity, paternity, adoption leave, childcare, military service or civil defense service, the salary insured up to that date remains in effect to the extent that payment is made in compensation for lost salary.

<sup>5</sup> If the insured annual salary is reduced due to illness or accident, the salary insured until then remains in effect due to the waiver of contribution included in the insurance.

<sup>6</sup> If the pension plan stipulates an entry threshold for admission to the plan, and if the effective annual salary is reduced for reasons other than illness or accident and remains temporarily below the entry threshold, the retirement plan shall be continued without payment of contributions. Accrued disability benefits and death benefits before retirement lapse, with the exception of the lump-sum death benefit in the amount of the available retirement savings capital.

<sup>7</sup> If the insured annual salary is altered as a result of a change in the employment relationship, such as a transfer or promotion, the insured person may request, subject to the employer's agreement, that the insured annual salary be adjusted immediately to the new circumstances; otherwise the adjustment will be made at the beginning of the next calendar year.

<sup>8</sup> For recipients of a disability pension, the limit amounts such as the coordination deduction and the BVG salary cap are reduced in accordance with the percentage of their partial pension entitlement under the regulations in order to determine the BVG annual salary. This adjustment applies to newly insured persons only if they are entitled to an IV pension.

<sup>9</sup> In case of unpaid leave, the employer may agree with the insured person that contributions will continue to be paid

during the period of unpaid leave. The insurance is suspended if contributions are not made. If an insured event occurs during the contribution-free period, the claim is limited to the amount of retirement savings capital available at the time the event occurred.

### 2.3.3 Maximum insurable annual salary under the BVG

<sup>1</sup> The maximum insurable annual salary under the BVG is restricted to 10 times the amount of the upper BVG salary limit.

<sup>2</sup> If the insured person is insured under more than one pension fund and the sum of all of his / her annual salaries subject to OASI deductions exceeds the amount stated in para. 1, the Foundation will reduce the insurable salary accordingly.

## 3 When and how are employees admitted to the supplementary pension plan?

### 3.1 Who is admitted to the supplementary pension plan and what are the restrictions on benefits?

#### 3.1.1 Admission to the pension plan

<sup>1</sup> The group of persons who may be insured is stipulated in the pension plan.

<sup>2</sup> The employer may join this occupational pension plan under due observance of fiscal regulations.

<sup>3</sup> If the employer is also covered by the insurance, this will be specified in the pension plan.

#### 3.1.2 Exceptions to pension plan admission

The following persons are not insured:

- Employees whose effective annual salary is less than the SIF income limit. This corresponds to 1.5 times the BVG pay ceiling
- Employees who, at the time they are to be admitted, are disabled to a degree of at least 70 % as defined by Swiss Federal Disability Insurance and employees under provisional continuing insurance pursuant to Art. 26a BVG
- Employees with whom an employment contract for three months or less has been concluded. If the employment relationship is extended for a period of

three months, admission to the pension plan occurs as of the time the extension is agreed.

- In case of multiple successive fixed-term contracts with the same employer or assignments for the same personnel-providing company lasting more than three months in total without an interruption exceeding three months in duration, admission to the supplementary pension plan occurs from the start of the fourth work month. If, however, an agreement is reached prior to commencement of the work that the period of employment or service is to exceed three months in total, admittance to the supplementary pension plan will take place at the beginning of the period of employment.

### 3.1.3 Restrictions on benefits

<sup>1</sup> If a person to be insured was not fully able to work prior to or upon admission to the supplementary pension plan, but this inability to work does not fall under the BVG definition of disability, and if the cause of this inability to work leads to disability or death, there shall be no claim to benefits under these pension regulations. If the person to be insured was insured by another pension plan at the beginning of the period of inability to work, then that pension plan is responsible for providing benefits.

<sup>2</sup> Persons with congenital defects or persons who became disabled as a minor are subject to Art. 18 paragraphs b and c and Art. 23 paragraphs b and c of the BVG.

### 3.2 How will the person to be insured be registered?

<sup>1</sup> The employer will register the persons to be insured using the documents provided by the Foundation. If required by the Foundation, the person to be insured must also sign the application documents.

<sup>2</sup> Along with the registration, the insured person must give the instruction for the investment strategy of their retirement capital within the framework of the investment strategies specified by the pension fund within the Foundation's guidelines. If the Foundation does not receive written investment instructions 60 days after an insured person joins the pension fund, the pension assets are invested in the low-risk investment that is available for the insured person concerned in accordance with the specifications of the pension fund and the Foundation

<sup>3</sup> Along with the registration, the insured person will also communicate his or her choice of savings plan to the Foundation. If no written plan selection instructions are received 60 days after an insured person joins the pension fund, the savings plan with the lowest savings contributions is used as a basis.

### 3.3 When does pension plan coverage begin?

<sup>1</sup> Provisional pension coverage commences on the first day of the month in which the admission criteria are met per sub-paragraph 3.1.1, but no earlier than receipt of the admission application by the Foundation.

<sup>2</sup> Provisional pension coverage shall be understood to mean the insurance coverage provided for the benefits applied for, from the time a person to be insured is registered with the plan until all registration documents have been conclusively examined. Provisional pension coverage does not extend to claims which are attributable to prior illnesses, ailments or consequences of accidents. Additionally, benefits in case of an insured event, together with any other benefits from occupational pensions provided by Zurich or one of its joint foundations, will be restricted to CHF 1,000,000 (onetime benefit or present value of all recurring disability and death benefits).

<sup>3</sup> Thereafter, provisional pension coverage shall be superseded by definitive pension coverage which shall commence upon receipt of the individual pension certificate and shall extend to the benefits described therein.

### 3.4 When is a health examination required?

<sup>1</sup> As a rule, an insured person is admitted to the plan without a health examination the basis of the confirmation that he or she is fully capable of working.

<sup>2</sup> The Foundation may make inclusion in the pension plan or benefits increases conditional upon a declaration of good health or medical examination, in addition to a general risk assessment in all cases. Based on the findings of the health examination, the Foundation may make appropriate restrictions or charge supplementary contributions. Any health restrictions on insurance shall expire after five years. The time expired since insurance restrictions for substandard health were imposed by an earlier pension plan will be taken into account.

<sup>3</sup> However, if an illness covered by the restriction occurs within five years of the restriction being imposed, exclusion of benefits shall apply permanently to benefits not yet accrued.

<sup>4</sup> Pension coverage acquired with transferred-in departure payment shall not be reduced by new health restrictions.

<sup>5</sup> If a person withholds information that he / she was, or must have been aware of, or if he / she declares such information to be untrue during the health examination or risk assessment, the Foundation is entitled to refuse to pay benefits based on Art. 6 LIC. Contrary to Art. 6, para. 2 of the LIC, a period of six months shall apply. Provided that the legal requirements are met, however, the services pursuant to the FZG are provided in any case.

### 3.5 What regular entry purchasing amount is to be provided?

<sup>1</sup> On entry into the pension plan, an insured person must transfer the departure payments from previous pension plans to the Foundation as an entry purchasing amount unless the departure payments are required to be transferred to another pension plan. The insured person is responsible for arranging the transfer from the previous pension plans.

<sup>2</sup> If the vested termination benefit brought in from a previous pension arrangement is higher than that required to purchase the full regulatory benefits, the Foundation may limit acceptance to this amount.

<sup>3</sup> Provided that the pension plan contains no provisions to the contrary, the amount transferred will be credited to the retirement capital account as the entry purchasing amount and in the event of death will be used for financing the partner pension.

<sup>4</sup> The Foundation can restrict the choice of investment strategy for the contributions specified in sub-paragraphs 3.5 and 3.6.

### 3.6 How can the insured person purchase benefits exceeding the regular entry purchasing amount?

<sup>1</sup> The insured person can purchase benefits exceeding the regular entry purchasing amount provided that the insured person is fully capable of working. The maximum purchase amount is the maximum possible retirement savings capital

pursuant to sub-paragraph 4.4.1 paragraph 2 less the market value of the existing retirement savings capital balance. The calculation is made with the current insured annual salary at the time of purchase. This remains subject to the statutory regulations. The principles of appropriateness (sub-paragraph 4.2.3) and of equal treatment apply regarding the permissible amount of purchases.

<sup>2</sup> Before each purchase in excess of the regular entry benefit, the insured person must complete the "Purchase into the pension fund" form (available at [www.vita.ch](http://www.vita.ch)) and submit it to the Foundation. The purchase form can also be submitted digitally via myVitaSelect. Purchases are invested within ten working days of receipt of the form in accordance with the insured person's investment instructions (cf. Sections 3.2 and 6.2). Should it subsequently transpire that a purchase is partially or wholly unacceptable to the tax authorities, the insured person shall bear the risk for market-related fluctuations in value between the time of investment and the time of reinstatement.

<sup>3</sup> Partially disabled persons can buy into the pension fund based on their ability to work as long as they remain able to work on their active part and the buy-ins do not raise the level of their disability benefits. The maximum buy-in will be adjusted accordingly.

<sup>4</sup> The maximum purchasing amount is reduced by pillar 3a savings in accordance with Art. 60a para. 2 of the BVV 2, by pension assets that remain in the previous pension fund and by the vested benefits savings as per Art. 60a, para. 3 of the BVV 2. These amounts are not included in the calculation of the purchase total if they have already been included for a different pension scheme or pension plan.

<sup>5</sup> The purchase restrictions pursuant to Art. 60b sect. 1 BVV 2 apply to persons immigrating from abroad who have never been insured under a Swiss pension plan.

<sup>6</sup> If the insured person made early withdrawals for the encouragement of home ownership, he / she may make purchases only after repaying the withdrawals.

<sup>7</sup> In the case of an insured person who is drawing or has drawn a retirement benefit from a pension fund, the maximum amount of the purchase sum is reduced by the amount of the retirement benefit already drawn.

<sup>8</sup> Benefits which become due as a result of a purchase may not be withdrawn as a lump sum within the next three years.

<sup>9</sup> Insured persons who were required to transfer a portion of their departure payment to the pension plan of their spouse as a result of divorce may repurchase the amount of the transferred departure payment. Repurchases in the event of divorce are excluded from all restrictions and may be carried out at any time. Individuals already receiving a full disability pension are ineligible to resume contributions to the pension plan.

<sup>10</sup> The employer may also make single premium payments.

<sup>11</sup> The effects of single premium payments are the same as for the regular entry purchasing amounts.

<sup>12</sup> The insured person is responsible for clarifying the tax treatment of single premium payments from the employer and purchases.

### 3.7 How can an insured person fund early retirement?

<sup>1</sup> In addition to purchasing the full regulation benefits, an insured person may purchase additional voluntary contributions to the supplementary savings plan for the voluntary financing of early retirement, provided that the insured person is fully capable of working. These deposits are credited to the insured person individually.

<sup>2</sup> The maximum contribution will be a sum that covers the difference between the annuity reduced in the event of early retirement and the full annuity at the regulation retirement age.

<sup>3</sup> Partially disabled persons can buy into the pension fund based on their ability to work as long as they remain able to work on their active part. The maximum purchasing amount will be adjusted accordingly.

<sup>4</sup> Those contributions can be made by the insured person at a time only if the permissible purchasing amount as per art. 3.6 had been fully affected.

<sup>5</sup> The maximum contribution is reduced by

- the pillar 3a savings in accordance with art. 60a para. 2 of the BVV 2;
- the vested benefits savings in accordance with art. 60a para. 3 of the BVV 2, insofar as these amounts were not taken into account when calculating

the purchase sum in accordance with Section 3.6;

- by any overfinancing of the maximum possible purchase amount in accordance with art. 3.6 and
- the retirement benefit drawn from a pension fund,

<sup>6</sup> The provisions as per art 3.6 para. 6, 8, 9 and 12 will also apply to the financing of early retirement.

<sup>7</sup> Based on the legal requirements on adequacy, in the event of early retirement (or retirement later than individually chosen and financed), the contribution made by the plan participant from their own funds for the pre-financing of early retirement will expire and shall be credited to the pension fund if the target regular benefits goal at regular retirement is exceeded by over 5 %.

<sup>8</sup> The effects of single contributions to finance early retirement are the same as for the regular entry benefit, unless the pension plan provides for a different rule.

### 3.8 What happens when there is a change in the degree of a person's employment?

If the degree of employment of an insured person changes, occupational pension coverage continues on the basis of the new insured annual salary. Articles 3.3 and 3.4 continue to apply.

## 4 When and to what extent are benefits due?

### 4.1 What benefits are provided under a supplementary pension plan?

On retirement:

- Retirement savings capital

In the event of death:

- Lump-sum death benefit
- Additional lump-sum death benefit
- Partner pension
- Orphans' pension

In the event of disability:

- Waiver of contribution
- Disability pension
- Disability-linked children's pensions

## 4.2 Which regulations apply to all benefits?

### 4.2.1 Assignment and pledging; encouragement of home ownership

<sup>1</sup> Benefits under these pension regulations may neither be assigned nor pledged before they are due except to finance residential property pursuant to BVG.

<sup>2</sup> An early withdrawal or a pledge of the benefits for the purpose of acquiring residential property for the person's own use is possible under BVG. More information is provided in the implementation regulations for the encouragement of home ownership using funds from occupational retirement provision.

### 4.2.2 Entitlement to children's pension

<sup>1</sup> Children's pensions are disability linked children's pensions and orphans' pensions.

<sup>2</sup> Children are deemed to be those persons stated in the context of Art. 252 et seq. of the Swiss Civil Code. Stepchildren who are wholly or predominantly supported by the insured person are deemed equivalent to them. Foster children are also eligible if the insured person is responsible for their support.

<sup>3</sup> Children's pensions are paid to:

- Children until they complete their 18th year of age, unless the pension plan contains provisions to the contrary;
- Children in education / apprenticeship until completion thereof, provided they are not concurrently predominantly employed, up to the end of their 25th year of age at the latest (the provisions of the AHV apply analogously with regard to the definition of training and its termination and interruption);
- Children who suffer from a disability, provided that the disability started before completion of their 25th year of age and the children are not receiving disability pensions under an occupational pension plan, accident insurance or military insurance.

### 4.2.3 Adequacy

<sup>1</sup> A pension plan with the option of choosing the investment strategy according to BVV2 Art. 1e is considered appropriate if:

- the conditions according to Art. 1 Para. 2 Letter b BVV2 are fulfilled; and
- during the calculation of the highest amount of the purchasing sum, no contributions are considered that exceed an average of 25 percent of the insured



wages per possible contribution year without compounding interest.

<sup>2</sup>The calculation of the maximum amount of the purchase sum shall be without compounding.

<sup>3</sup>For the calculation of the adequacy in the case of several pension relationships pursuant to Art. 1a BVV 2 para. 1, the conversion rates in accordance with the technical appendix shall apply.

#### 4.2.4 Late payment interest on pension benefits

<sup>1</sup>Late payment interest as per the FZG shall apply to lump sum retirement and death benefits that are not transferred within the prescribed period after all requisite information has been received.

<sup>2</sup>The default interest rate for benefits subject to pension reform is based on Art. 105 Swiss Code of Obligations; the default interest rate corresponds to the FZG rate (Vested Benefits Act).

#### 4.2.5 Liability claims

The Foundation can demand that claimant persons assign their claims against a liable third party up to the amount of the obligation to pay benefits. On request, the claimants are required to provide the Foundation with a written letter of subrogation.

### 4.3 Which regulations are valid for death and disability benefits?

#### 4.3.1 Scope of the service

<sup>1</sup>The benefits specified in the regulations shall be paid if disability or death is not attributable to an accident, including occupational illnesses as defined by LAI, or accident and illness as defined by Federal Law on Military Insurance.

<sup>2</sup>However, the following benefits shall be payable even if the accident or military insurance provides benefits on death or disability:

- Lump-sum death benefit in the amount of the available retirement savings capital
- Waiver of contribution in the event of disability
- A partner pension before retirement unless the insured person is the spouse and the pension plan regulations provide for a partner pension
- Death benefits after retirement
- Other benefits provided under the pension plan

<sup>3</sup>If the accident risk is covered under the pension plan, the following applies:

- If the accident or military insurance reduces benefits because the insured event is not attributable exclusively to one of these two insurances, the Foundation shall pay on a proportional basis.
- The benefits will, however, not be paid to compensate for claims that have been refused or reduced by the accident insurance or military insurance due to culpable causation of the insured event.

#### 4.3.2 Overinsurance

<sup>1</sup>Benefits under these pension regulations shall be paid in addition to the benefits of other Swiss or foreign occupational or social insurance plans. When these benefits overlap, however, no unjustified advantage may accrue for the person entitled to benefits.

<sup>2</sup>An unjustified advantage arises when benefits under these pension regulations granted to survivors or disabled persons, together with any other qualifying income, exceed 90 % of the insured person's projected lost earnings. In this case, the Foundation may reduce its benefits to the extent that such benefits, together with the other qualifying income, exceed 90 % of the projected lost earnings.

<sup>3</sup>The following are considered qualifying income:

- Pensions or the pension value of capital payments from domestic or foreign social security and occupational pension plans with the exception of compensation for destitute persons, indemnifications and similar benefits
- The combined incomes of the surviving partner and orphans
- Any additional employment income or replacement income earned or that may reasonably be expected to be earned by insured persons receiving disability benefits. The full hypothetical disability income as per the disability insurance (IV) decision will be taken into account.

<sup>4</sup>Benefits from private insurances which the insured person financed alone are not taken into consideration as part of the qualifying income.

<sup>5</sup>Persons entitled to benefits are obliged to notify the Foundation of all qualifying income.

### 4.4 What retirement benefits are provided?

#### 4.4.1 Retirement savings capital

<sup>1</sup>The retirement benefit amount is the market value of the retirement savings capital at the time of retirement. Any fluctuations in the market value between the time of retirement and the time of payment are taken into consideration.

<sup>2</sup>The retirement savings capital consists of:

- a) Savings contributions in accordance with pension plan regulations
- b) Entry contributions from previous pension plans
- c) Single premiums in accordance with sub-paragraph 3.6
- d) Contributions to fund early retirement in accordance with sub-paragraph 3.7
- e) Re-contributed amounts in connection with encouragement of home ownership and / or divorce
- f) minus any advance withdrawal in connection with the promotion of home ownership or compensation payments following divorce.
- g) Any allocations from uncommitted pension asset pools.
- h) Amounts transferred as part of a divorce settlement.
- i) fluctuations in market value.

#### 4.4.2 Paying out of retirement benefits

<sup>1</sup>Retirement savings capital is paid out in a lump-sum amount.

<sup>2</sup>If a lump-sum distribution is only partially permissible, the capital contributed within the last three years is converted into a retirement pension, including accruing partner pension, in accordance with the respectively applicable Zurich collective life insurance tariff. The conversion rates are listed in the Technical Appendix.

<sup>3</sup>If the insured person is married, the retirement savings capital may only be distributed with written spousal consent. The Foundation is entitled to request attestation of the signatures. The insured person shall bear the costs for the attestation.

### 4.5 What death benefits are provided?

#### 4.5.1 Lump-sum death benefit

<sup>1</sup>If an insured person dies before entering retirement, surviving parties have a claim to retirement savings capital. Any fluctuations in the market value between the time of death and the time of payment are taken into consideration.

<sup>2</sup> The claim is reduced to the extent that funds are required to fund a partner pension.

#### **4.5.2 Additional lump-sum death benefit**

<sup>1</sup> If an insured person dies before retirement, an additional lump-sum death benefit is due.

<sup>2</sup> The amount of the additional lump-sum death benefit and the group of persons who may be insured are defined in the pension plan.

#### **4.5.3 Rightful claimants entitled to the lump-sum death benefit**

<sup>1</sup> Regardless of the law of succession, the following persons shall be entitled to the lump-sum death benefit:

- a) the surviving spouse, if living; otherwise
- b) eligible children, if living; otherwise
- c) other natural persons who were largely supported by the deceased insured person, or the person who had lived continually with the insured in the same household for the five years prior to his / her death in a marriage-like relationship or who in his / her absence is largely responsible for supporting one or more of their common children; otherwise
- d) the remaining children, in their absence; otherwise
- e) the parents in his / her absence; otherwise
- f) the siblings in his / her absence, otherwise
- g) other legal successors (excluding the public domain), entitled to half of the lump-sum death benefit, but not more than 50 % of the market value of the retirement savings capital at the time of death.

<sup>2</sup> In justified cases, and if better suited to the purpose of providing a pension, the insured person may alter the order of beneficiaries under clauses d–f. If the insured person wishes to take advantage of this option, he / she must inform the Foundation in writing and must provide an explanation.

<sup>3</sup> In justified cases, and if better suited to the purpose of providing a pension, the insured person may also notify the Foundation in writing of which persons within a group are to be beneficiaries and to what extent, stating his or her reasons. In the absence of such notification and in the event that there are several beneficiaries within one group, the Foundation

shall distribute the available lump-sum death benefit in equal amounts.

<sup>4</sup> Beneficiaries as per clause c) will only be included in the distribution if the Foundation is informed of the existence of a beneficiary as per clause c) by no later than when the lump-sum death benefit is paid out. Failure to provide this information to the proper office will result in a loss of claim to the lump-sum death benefit.

<sup>5</sup> In any case, any payments made to beneficiaries shall be governed by the circumstances at the time of the insured person's death. It is up to the Foundation to decide whether the change in beneficiary is allowed.

<sup>6</sup> Subject to any extended coverage, any beneficiary designations submitted by the insured person are only valid until the insured person leaves this supplementary pension plan.

#### **4.5.4 Partner pension in case of death prior to drawing a pension**

<sup>1</sup> If an insured person dies, the surviving partner has a claim to a pension.

<sup>2</sup> The amount of the annual pension is defined in the pension plan.

<sup>3</sup> Claim to a partner pension will be considered only if the Foundation is informed of the existence of a rightful claimant no later than the date on which the lump-sum death benefit is paid out pursuant to sub-paragraph 4.5.1 below. If this is not the case, there is no claim to benefits. This does not apply to the surviving spouse.

<sup>4</sup> If the surviving partner is more than 10 years younger than the deceased insured person, the pension shall be reduced by 1 % of the full pension amount for each year or part year in excess of this age difference.

<sup>5</sup> If the surviving partner remarries before completion of his / her 45th year of age or enters into a new marriage-like relationship before this time, his / her claim to the pension shall cease. A surviving spouse's claim shall, however, cease only upon remarriage. If the partner's claim to a pension ceases, he / she shall receive a one-time payment amounting to three years of pension payments. In lieu of payment, a spouse may apply for his / her pension to be reinstated if his / her subsequent marriage is also dissolved.

<sup>6</sup> If remarriage takes place after the spouse completes his / her 45th year or if

the rightful claimant enters into a new marriage-like relationship after this time, the pension shall continue to be provided for as long as he / she lives.

<sup>7</sup> Only one person has a claim to receive a partner pension. Payment of a partner pension to several persons at the same time is not possible. Spouses and registered partners as defined in PartG have priority over the other partners.

<sup>8</sup> The surviving partner shall have no claim to receive a partner pension if he or she is already receiving a survivors' pension from a Swiss or foreign pension plan. This does not apply to the surviving spouse.

<sup>9</sup> A divorced spouse has no claim to a pension.

#### **4.5.5 Orphans' pension**

<sup>1</sup> If an insured person dies, eligible children shall receive a pension.

<sup>2</sup> The amount of the annual orphans' pension is defined in the pension plan.

<sup>3</sup> It ceases on the death of the child or when the claim to the pension expires.

#### **4.5.6 Payment of lump-sum death benefits**

<sup>1</sup> Pensions shall be paid in advance on a quarterly basis. A partial payment shall be made for the period between the date of death and the pension due date.

<sup>2</sup> At the request of the entitled survivors of an insured person, the pension is paid monthly in advance. A partial pension is paid from the date of death until the next pension due date. The corresponding declaration must be made before the first pension is due.

<sup>3</sup> Death benefits are due to the rightful survivors of an insured person even if they refuse their inheritance.

<sup>4</sup> Death benefits which for whatever reason cannot be paid out to the beneficiaries are retained by the pension fund and are used in accordance with the objectives of the Foundation.

<sup>5</sup> The Foundation shall make a lump-sum payment in lieu of a pension if the partner pension amounts to less than 6 % and the orphans' pension to less than 2 % of the minimum retirement pension under OASI.

<sup>6</sup> Furthermore, at the request of the eligible person, the partner's pension will be paid in the form of capital.

<sup>7</sup> This lump sum shall correspond to the capital value of the partner pension if the

partner was at least 45 years old when the insured person died. The lump sum shall be reduced by 3 % for every partial or whole year that the partner is younger than 45. The minimum payment, however, shall consist of four annual pensions. Payment as a lump sum is to be requested before the first pension payment is drawn.

<sup>8</sup> Benefits may be reduced or refused to the corresponding extent if the AHV can reduce or refuse a benefit because the person entitled to it caused the death of the insured person. Any lump-sum death benefit released as a result shall accrue to the next beneficiaries in accordance with para. 4.5.3.

## 4.6 What are the disability benefits?

### 4.6.1 Disability

<sup>1</sup> Disability is a total or partial inability to work which is likely to be permanent or of a longer duration. Disability is the total or partial loss of the ability to earn any income in a stable employment situation as a result of impairment of physical, mental or psychological health which continues after appropriate treatment and rehabilitation. Articles 7 and 8 ATSG (Federal Law on the General Part of Social Security Law) shall apply.

<sup>2</sup> Furthermore, the Foundation may make the payment of disability benefits subject to the granting of a final pension award by the Swiss Federal Disability Insurance (IV).

<sup>3</sup> An insured person is entitled to full regulation benefits if the degree of disability is at least 70 %. Seventy-five percent of the pension will be paid out if the degree of disability is between 60 % and 69 %. If the degree of disability is less than 60 %, benefits will be paid in accordance with the degree of disability. A degree of disability of less than 25 % shall not entitle the insured person to claim benefits.

<sup>4</sup> The claim to insured benefits shall exist after the insured person has been fully or partially disabled for a duration longer than the waiting period per sub-paragraph 4.6.2 or the pension plan regulations. If the insured person is alternately able and disabled and if the periods when the insured is fully able to work do not last longer than one year, the disability periods arising from the same cause shall be added together and shall count towards the waiting period. If the ability

to fully work lasts longer than a year, the waiting period shall start anew.

<sup>5</sup> If, within a year, the insured person suffers a relapse after having been fully able to work, benefits shall be granted again without requiring a further waiting period. In the event of relapses within one year, any adjustments made to the benefits in the interim shall be reversed.

<sup>7</sup> The benefits may be reduced correspondingly if the Swiss Federal Disability Insurance can reduce, withdraw or refuse benefits because the beneficiary has caused the disability or refuses to cooperate with Swiss Federal Disability Insurance rehabilitation measures.

<sup>7</sup> Ongoing disability claims shall continue to be subject to the pension regulations valid at the time of the inability to work on which the disability claim is based.

### 4.6.2 Disability pension

<sup>1</sup> If an insured person becomes disabled, he or she has a claim to a pension.

<sup>2</sup> The amount of the annual disability pension is defined in the pension plan, and amounts to a maximum of CHF 250,000, except as otherwise provided in the pension plan regulations.

<sup>3</sup> Pension payout commences after 12 months of disability. The claim to benefits will be deferred as long as the insured person has a right to continued payment of salary or as long as there is other compensation. Other compensation includes in particular daily allowances and daily benefits under accident or military insurance.

<sup>4</sup> The claim to the disability pension as set out in the pension plan shall exist as long as the degree of disability is 25 % or more, but no longer than up to regulation retirement age or death. The provisions governing provisional continued insurance coverage and retention of entitlement to benefits pursuant to Art. 26a BVG still apply.

<sup>5</sup> If the insured person draws a full disability pension, any savings from voluntary contributions to fund early retirement are paid out as lump-sum disability benefit.

<sup>6</sup> If the insured person is married, the lump-sum disability benefits may only be distributed with written spousal consent. The Foundation is entitled to request attestation of the signatures. The insured person shall bear the costs for the attestation.

### 4.6.3 Disability-linked children's pension

<sup>1</sup> Insured person receiving a disability pension under this supplementary pension plan have a claim to a pension for their pension-entitled children.

<sup>2</sup> The amount of the annual disability linked children's pension is defined in the pension plan regulations.

<sup>3</sup> The pension shall cease on expiration of the disability pension, on the death of the child or if the child is no longer eligible to receive a pension.

### 4.6.4 Waiver of contribution

If an insured person is unable to work for more than the waiting period specified in the pension plan, then no further contributions are to be paid depending on the insured person's degree of disability. In the event of partial disability, cost contributions are still due. The waiver of contribution payments lasts as long as the disability exists, at the longest, however, until regulation retirement age or the death of the insured person.

### 4.6.5 Payment of disability benefits

<sup>1</sup> Pensions shall be paid in advance on a quarterly basis. A partial payment shall be made for the period between the starting date of the claim and the pension due date.

<sup>2</sup> At the request of the entitled survivors of an insured person, the pension is paid monthly in advance. A partial pension is paid from the date of death until the next pension due date. The corresponding declaration must be made before the first pension is due.

### 4.6.6 Case management

Using suitable arrangements and in collaboration with the insured person, Case Management in Zurich shall support and promote their occupational, medical and social rehabilitation.

## 4.7 What benefits are paid on withdrawal from the supplementary pension plan?

### 4.7.1 Claim and amount of the departure payment

<sup>1</sup> Should an insured person exit before reaching retirement, they shall be entitled to a departure payment as per Art. 19a Para. 1 FZG [Vested Benefits Act] by way of derogation from Art. 15 and 17 FZG.

<sup>2</sup> This corresponds to the effective value of the pension savings at the time of the exit. Any fluctuations in the market value between the time of withdrawal and the time of payment are taken into consideration.

<sup>3</sup> Any early withdrawals according to the regulations under the encouragement of home ownership regulations with funds of the occupational retirement provision or as part of a divorce settlement in accordance with Art. 22 et seq. FZG (Vested Benefits Act) are deducted from the departure payment.

<sup>4</sup> If the employer has paid the insured person's entry purchasing amount in full or in part, then the corresponding amount shall be deducted from the departure payment. The deduction shall be reduced by 1 / 10th of the amount paid by the employer for each year a contribution was made.

<sup>5</sup> The portion of the departure payment financed by the employer may be taken into consideration for long-term employment in the calculation of the severance payment in accordance with Art. 339b et seq. of the Swiss Code of Obligations or the collective labor agreement.

#### 4.7.2 Due date and application

<sup>1</sup> The departure payment is due at the end of the pension relationship.

<sup>2</sup> To ensure pension coverage is maintained, the departure payment shall as a rule be transferred to the pension plan of the new employer.

<sup>3</sup> Before leaving employment, the insured person shall inform the Foundation to which new pension plan the departure payment is to be transferred.

<sup>4</sup> If the insured person does not join a new pension plan, he or she informs the Foundation whether he or she wishes to keep the pension coverage in the form of a vested benefit policy or in a vested benefit account. If the Foundation does not receive this notification within six months of the termination of the pension relationship, the departure payments shall be transferred to the Stiftung Auffangeinrichtung. The right of the insured person to change the form in which pension coverage is maintained at any time shall remain unaffected.

<sup>5</sup> The pension savings remain invested in the chosen investment strategy until they are paid out. If necessary, the chosen strategy can be changed.

<sup>6</sup> If the Foundation does not transfer the departure payment due within 30 days after having received all requisite data, the interest for late payment as per the FZG shall become due at the end of this period.

#### 4.7.3 Cash payment

<sup>1</sup> The insured person may make a written request for payment of the departure payment in cash if:

- a) he / she has permanently left Switzerland; subject to the conditions under Art. 25f FZG, or
- b) he or she is taking up a self-employed activity and is no longer required to join a mandatory occupational retirement provision; or
- c) the departure payment amounts to less than his or her annual contribution.

<sup>2</sup> Payment in cash to a married insured person is only possible if the spouse states his or her approval in writing. The Foundation is entitled to request attestation of the signatures. The insured person shall bear the costs for the attestation.

### 4.8 What obligation to pay benefits remains after the insured person has left the supplementary pension plan?

#### 4.8.1 Extended coverage

After the pension relationship ends, the insured death and disability benefits shall remain insured at an unchanged level and without charging any corresponding contributions, until a new pension relationship is set up, or for one month at the longest.

#### 4.8.2 Residual liability

<sup>1</sup> If the insured person is partially disabled at the time of termination of employment or upon expiration of the period of extended coverage, his or her claim to disability benefits shall be upheld for 360 days from the onset of the disability. The Foundation will only provide disability benefits, however, if the disability is defined by these pension regulations as attributable to the same cause that gave rise to the inability to work.

<sup>2</sup> If the degree of disability later increases for the same reason, or the degree of disability of a person who is already disabled at the time of exiting the company's employ or by elapse of the coverage ex-

tension period also increases, no disability benefits are payable reflecting that increase.

<sup>3</sup> If the insured person dies at a point at which he or she would have been entitled to disability benefits per paragraph 1, and if death occurred for the same reason that brought about the disability, the surviving dependents shall be entitled to death benefits as per plan regulations.

#### 4.8.3 Repayment obligation

<sup>1</sup> If the Foundation is liable to pay benefits under arts. 4.8.1 and 4.8.2, then any departure payment which has already been paid including interest is to be reimbursed to the Foundation.

<sup>2</sup> Survivors' or disability benefits may be reduced if no reimbursement is made.

### 4.9 External insurance upon exit

<sup>1</sup> If an insured person leaves the company, they can apply to remain externally insured on a voluntary basis with the Foundation if their employer consents. The pension plan can be continued in its current form for a maximum of two years.

<sup>2</sup> The external insurance must be applied for in writing to Vita Select Collective Foundation 30 days before the termination of the employment relationship at the latest. After this period has expired, it is no longer possible to arrange for external insurance. An external insurance policy can be terminated at the end of each month under compliance with the termination period of 30 days.

<sup>3</sup> The following provisions apply to external insurance:

- a) The salary insured at the time of the termination of the employment relationship can no longer be changed.
- b) The insured party shall be responsible for paying their contribution and the contribution of their employer.
- c) The external insurance shall end:
  - At the end of the month in which the insured party reaches the age of 58
  - When the insured party is employed part-time or full-time for another employer. The insured person must inform the Foundation immediately in the event of a change in their employment situation.
  - In the month when the last contribution month is paid, if the contribution payment is not received by the end of the subsequent month

- Two years after the beginning of the external insurance at the latest

<sup>4</sup> If the external insurance is terminated before the person reaches the age of 58, a withdrawal takes place. Vested benefits shall be due.

<sup>5</sup> If the external insurance is terminated after the person reaches the age of 58, the person shall enter into retirement. The regulatory retirement benefits shall be due.

<sup>6</sup> The insured salary, pension plan and savings option that were valid before employment was terminated shall be decisive for the collection of contributions. The insured person shall be invoiced for the contributions on a monthly basis.

<sup>7</sup> The selected investment strategy may be changed (switch).

<sup>8</sup> The insured salary shall remain unchanged until retirement or until the person leaves the company, which means it is neither adjusted to inflation nor increased to suit individual desires.

## 5 How much are the contribution to the supplementary pension plan?

<sup>1</sup> The amount of the personal contributions to be made by the insured persons and the contributions to be made by the employer are defined in the pension plan.

<sup>2</sup> The employer shall deduct contributions from the salary of the insured person in installments and transfer the installments to the Foundation.

<sup>3</sup> Contributions shall be deducted until retirement or until the insured person withdraws from the occupational pension plan. In the event of unemployment, maternity, paternity, adoption leave, childcare, military or civil defense service, the full contributions shall continue to be paid as long as the insured salary is not reduced.

<sup>4</sup> If the insured person avails him-self/herself of the right to draw an advance under the conditions stipulated by the BVG, he or she may increase the contribution to the occupational pension plan.

<sup>5</sup> The Foundation or pension fund may request reorganization contributions from the insured persons and the employer as the circumstances and the financial situation of the pension fund re-

quire. The insured persons and the employer are responsible for these contributions 50/50, except as otherwise provided in the pension plan regulations.

## 6 How are the assets invested?

### 6.1 How are the assets of the individual pension funds invested?

<sup>1</sup> The Foundation maintains a separate asset investment account for each insured person and provides suitable investment vehicles for this purpose. Asset investment is made in accordance with the investment regulations and within the investment framework per Art. 49 et seq. BVV 2.

<sup>2</sup> Asset investment decisions remain subject to the approval of the Foundation Board. The Investment Regulations shall apply.

### 6.2 How does the individual asset investment occur?

<sup>1</sup> The insured persons give the Foundation investment instructions in conformity with Foundation and the pension fund policies and the Investment Regulations. The insured persons can also change the investment instructions (“switches”).

<sup>2</sup> If the insured person takes up residence in the USA and the pension relationship continues to exist despite this move, the total retirement assets and all future savings contributions will be invested in the low-risk investment strategy, which is available for selection for the relevant insured person in accordance with the specifications of the pension fund and the Foundation.

## 7 What rights and obligations does the insured person have?

### 7.1 What must the Foundation be advised of for administration of the supplementary pension plan?

<sup>1</sup> The insured person, the employer and the beneficiaries must inform the Foundation without delay of any circumstances that have an impact on the payment of benefits. In particular, these include:

- Notification of all pension funds to which the insured person belongs and the salaries insured thereunder, provided the sum of all the insured person’s annual salaries subject to OASI deductions exceed the maximum insurable annual salary under the BVG
- Disability cases and changes in the degree of disability
- The death of an insured person or of a rightful claimant
- Expiration of children’s entitlement to receive pensions
- The establishment, existence or discontinuation of the obligation to pay alimony
- Changes in the marital status of an insured person or of a rightful claimant
- Entry into a new marriage-like relationship, provided that a person
- is receiving a partner pension pursuant to these pension regulations
- Creation of an obligation or entitlement to a pension settlement due to divorce
- Pension plan change due to an employment change
- move of an insured person to the USA, see sub-paragraph 6.2.

<sup>2</sup> Rightful claimants must provide all documents required to enforce the claim for benefits (proof of age, death certificate, medical certificate, obligation to provide support and the like). The Foundation is entitled to request further information, to obtain such information itself, or to make inquiries at its own cost, particularly for the rebuttal of unjustified claims as a result of information which has been withheld, is incorrect or incomplete.

<sup>3</sup> The Foundation waives all liability for consequences arising from any failure to comply with the duty to report or notify, or from untruthful statements.

### 7.2 What information does the insured person receive?

<sup>1</sup> Each year the insured person receives a pension certificate giving the current status of his or her pension benefits. The statement is provided for information purposes. In cases of doubt, the benefits defined in these pension regulations and the associated pension plan shall apply.

<sup>2</sup> Individual investment decisions are shown in transaction journals. An annual statement of assets describes the market value and changes in the insured person’s pension assets.

<sup>3</sup> Upon request, the insured person will be sent the annual financial statement and

annual report of the pension fund from the Administration Committee. Both contain the information prescribed by law.

<sup>4</sup>The insured person may inspect the information the employer has regarding the pension fund.

<sup>5</sup>If the employer is in arrears in financing the pension plan, the Foundation will inform the members of the Administration Committee, or the insured persons. The Foundation will also notify the supervisor in accordance with Art. 58a para. 1 BVV 2.

### **7.3 How is data privacy in connection with occupational pension plans guaranteed?**

The Foundation, Zurich, and the organization to which responsibility for administration of the Foundation has been assigned by the Foundation Board shall undertake all necessary steps to ensure that the data is treated in strict confidence. Information about data processing can be found in the data protection declaration on [www.vita.ch](http://www.vita.ch).

## **8 What else should insured persons be aware of?**

### **8.1 How are benefits divided up in case of divorce?**

<sup>1</sup>The departure payment or the pension of an insured person are divided up pursuant to a Swiss court decision.

<sup>2</sup>If a pension is drawn during divorce proceedings and when a disability pension recipient reaches regular retirement age, the transferable portion of the departure payment are reduced in line with Article 19g FZV.

### **8.2 Who can change these pension regulations or the pension plan and to whom do such changes apply?**

<sup>1</sup>The Foundation Board may amend these pension regulations in accordance with the provisions of the law and the conditions laid down by the Foundation.

<sup>2</sup>The Administration Committee may change the pension plan (particularly in relation to benefits, financing, etc.) in accordance with the provisions of the law and the Foundation. For example, these provisions may include decisions made by the Foundation Board about the charging of reorganization contributions.

<sup>3</sup>Changes to regulations and tariff changes only apply to actively insured persons. They do not apply to benefit recipients or persons who are work-incapacitated, with the exception of retirement benefits accruing to benefit recipients.

<sup>4</sup>The pension plan shall be approved by the Administration Committee and shall take effect on the date stipulated in the pension plan. It supersedes any previous pension plans, including any supplements thereto.

### **8.3 Plan selection (Art. 1d BVV 2)**

The insured person chooses one of three savings plans within the pension fund. The employer's contribution is the same for all three plans. The total contribution for the pension plan with the lowest contributions must be equal to or greater than two thirds of the total contribution for the pension plan with the highest contributions.

### **8.4 What are the effects of annulment of the affiliation contract?**

On the annulment of the affiliation contract, the retirement savings of active and (partially) disabled insured persons and the «revolving door» policy reserves for ongoing pensions to be transferred (calculated in accordance with the Zurich group life insurance tariff) will be transferred to the new pension plan.

### **8.5 What are the requirements for a partial liquidation of a pension fund or of the Foundation, and what is the procedure?**

The requirements and procedure for a partial liquidation are set out in a separate set of Regulations. The current regulation on partial liquidation can be accessed at [www.vita.ch](http://www.vita.ch).

### **8.6 What steps are taken in the event of coverage deficiency?**

<sup>1</sup>The pension fund, after consultation with the Foundation, is obliged to take measures to remedy the situation if it is underfunded, i.e. has a coverage deficiency. These measures must be appropriate in view of the degree of coverage deficiency and be part of a balanced overall concept. They must also be capable of remedying the plan coverage deficiency within a reasonable period of time.

<sup>2</sup>If other measures do not solve the problem, the employer and employees

may make contribution to remedy the coverage deficiency while the plan is underfunded. The contribution made by the employer must be at least as large as the sum of the contributions made by the employees.

<sup>3</sup>It is also possible to forgo utilization of employers' contribution reserves in accordance with Art. 44a BVV 2.

### **8.7 Who decides in cases which are not covered by these pension regulations?**

In cases for which these pension regulations do not contain provisions, the Administration Committee (on approval by the Foundation) will decide on the action to be taken in keeping with the objectives of the Foundation and with the law.

### **8.8 Where does the Foundation fulfill its obligations?**

<sup>1</sup>The Foundation fulfills its obligations at the domicile of the beneficiaries in Switzerland or an EU/EFTA country, or in the absence of such, at the domicile of the Foundation.

<sup>2</sup>All benefits shall be paid exclusively by remittance to an account with a bank or post office branch in Swiss francs, held in name of the beneficiary. The transaction costs shall be borne by the entitled person..

### **8.9 When do these pension regulations take effect?**

<sup>1</sup>These pension regulations take effect on January 1, 2024 and replace all previous addenda.

<sup>2</sup>It can be amended by the Foundation Board at any time.

<sup>3</sup>If these regulations are translated into other languages, the German original of this translation is binding.

<sup>4</sup>The current pension plan regulations are available at [www.vita.ch](http://www.vita.ch).

<sup>5</sup>The pension plan is not available on the Internet. All insured persons are provided with a copy of the plan by their employer. The following are components of these pension regulations:

- Implementation regulations for the encouragement of home ownership using funds from occupational retirement provision
- Technical appendix
- Organizational regulations for the Administration Committee
- Pension Plan
- Any supplements to the pension regulations

Zurich, November 2023

Vita Select Collective Foundation of Zurich Life Insurance Company Ltd

The Foundation Board

## 9 Implementation regulation for the encouragement of home ownership using funds from occupation retirement provision

### 9.1 Which funds can be used to acquire residential property?

Up to three years before regulation retirement age, an insured person can use funds for residential property

- From the obligatory occupational pension plan
- From the non-obligatory and voluntary occupational retirement provision
- From vested benefits policies and vested benefits accounts

to purchase residential property, provided that no insured event (disability, retirement) has already occurred.

### 9.2 In what form can these funds be used?

The funds can be used in the form of

- an early withdrawal on departure payment; or
- a pledge of the departure payment and / or pension benefits.

### 9.3 What can funds from the occupational retirement provision be used for?

<sup>1</sup> Funds from the occupational retirement provision can be used to purchase residential property for the insured person's own use, as follows:

- The acquisition and construction of residential property (sole ownership, co-ownership such as condominiums, joint ownership with a spouse, independent and permanent ground lease)
- Amortization of mortgages on a contractual and voluntary basis. Payment of mortgage loan interest is not permitted.
- The acquisition of shares in a cooperative housing association or shares in a tenants' joint stock company. The

regulations of the cooperative housing association must provide that the pension funds' assets paid to acquire the shares will be transferred when withdrawing from the cooperative either to another house building cooperative or to another organization responsible for housing construction, where a residence is used by the insured person himself / herself, or to an occupational retirement provision. Shares and similar documents are to be deposited with the pension plan until repayment or until occurrence of the insured event or cash payment of the departure payment.

<sup>2</sup> Permitted properties are apartments and single-family homes.

<sup>3</sup> Occupational retirement provision funds may not be used to acquire vacant plots of land or to finance the ordinary upkeep of residential property.

### 9.4 What does "for your own use" mean?

<sup>1</sup> "For your own use" means that the residential property must be used by the insured person himself / herself as his / her domicile or regular place of residence (within and outside Switzerland).

<sup>2</sup> If the insured person proves that this use is temporarily impossible, due to a temporary move away with the family for occupational or health reasons, for example, it is permissible to rent out the residence during this time.

<sup>3</sup> Occupational retirement provision funds may only be used for one property at a time. They may not be used to finance vacation homes or second homes.

### 9.5 What conditions apply to an early withdrawal?

#### 9.5.1 What is the minimum or maximum amount that can be drawn early?

<sup>1</sup> The minimum early withdrawal amount is CHF 20,000. Withdrawals can be made every five years.

<sup>2</sup> If shares in cooperative housing associations or similar holdings are acquired, or if vested benefit policies and savings

in a vested benefits account are used, this minimum amount does not apply.

<sup>3</sup> Until age 50, the insured person may make an early withdrawal up to the maximum amount of his / her current departure payment.

<sup>4</sup> If the insured person is over age 50, the maximum early withdrawal amount for a departure payment at the age of 50 or half the departure payment / departure payment at the time of the early withdrawal. The higher of these two amounts may be drawn; early withdrawals and repayments after age 50 are taken into account in this calculation.

#### 9.5.2 When and to whom does the Foundation have to pay the early withdrawal?

<sup>1</sup> The Foundation pays the early withdrawal at the latest six months after the insured person has submitted all documents to assert his / her claim and has paid the costs specified in sub-paragraph 9.9.

<sup>2</sup> During the time of the coverage deficiency, the pension fund, in consultation with the Foundation may reduce the amount of or restrict the duration of or even completely refuse to accept pledges and early withdrawals for the repayment of mortgage loans.

<sup>3</sup> Payment is made directly to the seller, builder, lender, house building cooperative, etc., with the agreement of the insured person. The early withdrawal cannot be paid to the insured person.

#### 9.5.3 How do you ensure that the early withdrawal is used in accordance with the purposes of the pension plan?

To ensure that the purposes of the pension plan are met, a restriction on the sale of the property is noted in the land register. This stipulates that the insured person must repay the early withdrawal to the Foundation if the residential property is sold. The Foundation notifies the Land Registry when the early withdrawal is paid out.



#### 9.5.4 What consequences does an early withdrawal have for pension benefits?

<sup>1</sup> The pension benefits on retirement are reduced in accordance with the technical principles of the pension plan. Death and disability benefits are reduced if these are dependent on projected retirement savings capital.

<sup>2</sup> The insured person can take out supplementary insurance to compensate for any gaps in disability and death coverage.

<sup>3</sup> The costs of any such insurance are borne by the insured person.

#### 9.5.5 When can and when must the early withdrawal be repaid to the pension plan?

<sup>1</sup> The insured person may voluntarily repay the early withdrawal at any time before regular retirement age, until the occurrence of an insured event or until cash payment of the departure payment.

<sup>2</sup> The minimum repayment amount is CHF 10,000. If the outstanding early withdrawal amount is smaller, the repayment must be made in a single amount.

<sup>3</sup> For legal reasons, the early withdrawal must be repaid by the insured person or his / her heirs if

- the residential property is sold;
- rights to this residential property are conceded which are equivalent to a sale from an economic perspective;
- no pension benefits are due upon the death of the insured person.

<sup>4</sup> On the sale of the residential property, the repayment obligation is restricted to the proceeds. The proceeds are the sale price less the debts safeguarded by mortgage and the charges imposed by law on the seller.

#### 9.5.6 How are taxes paid on the early withdrawal?

The amount of the early withdrawal must be taxed as a capital payment from the pension plan at the time when the amount is drawn. As a rule, this amount is taxed separately from other income in accordance with the applicable legal regulations.

#### 9.5.7 How much tax will be reimbursed when repaying the early withdrawal?

<sup>1</sup> In the event of partial or complete repayment of the early withdrawal, the insured person may request in writing from the relevant cantonal authorities that the tax paid at the time when the early withdrawal was made, excluding interest, should be reimbursed. The right to reimbursement of tax paid lapses after the expiry of three years after repayment of the early withdrawal.

<sup>2</sup> The Foundation provides a certificate of repayment of the early withdrawal on the Swiss Federal Tax Administration forms.

#### 9.5.8 What conditions apply to early withdrawals in the context of additional purchases?

<sup>1</sup> Benefits which become due as a result of additional purchases may not be withdrawn as early withdrawals within the next three years.

<sup>2</sup> If the insured person made early withdrawals for the encouragement of home ownership, he / she may make purchases only after repaying the withdrawals.

### 9.6 What conditions apply to pledging?

#### 9.6.1 What are the consequences of pledging?

The insured person may pledge his / her entitlements to pension benefits on retirement, disability or death for an amount up to his / her total departure payment, for the purposes of acquiring residential property. Pension coverage is not reduced as a result of pledging, but only when a pledge is realized.

#### 9.6.2 What is the maximum amount that can be pledged?

<sup>1</sup> Until the age of 50, the insured person may pledge an amount up to the total of his / her current departure payment. If the person is over age 50, the same rule applies as to an early withdrawal.

<sup>2</sup> Entitlements to pension benefits or departure payment can be pledged for the acquisition of residential property up to three years before regulation retirement age.

#### 9.6.3 What should be observed by the pledgee?

<sup>1</sup> Agreement is required from the insured person's pledgee:

- For cash payment of the departure payment
- For payout of pension benefits insofar as the pledged sum is affected.

<sup>2</sup> The Foundation will notify the insured person's pledgee if the insured person changes pension plans.

#### 9.6.4 What are the consequences of realizing a pledge?

<sup>1</sup> There is a difference between realization of a pledge of departure payment and realization of a pledge of pension benefits.

<sup>2</sup> If a pledge of departure payment is realized, the insured person loses the pledged departure payment. This has the same effect as an early withdrawal. In particular, the insured person's pension benefits on retirement are reduced.

<sup>3</sup> If a pledge of pension benefits is realized, the insured person loses the pledged pensions or capital payment. However, realization of this pledge is only possible once a pension benefit becomes due.

#### 9.7 What claim to information exists?

If requested in writing, the Foundation provides information to the insured person about:

- The pension savings at his / her disposal for the purchase of residential property
- The reduction in benefits associated with an early withdrawal or realization of a pledge

#### 9.8 How is the early withdrawal or pledge established?

<sup>1</sup> The insured person submits a written request to the Foundation, giving evidence of the purpose for which the money is required and that it is for his or her own personal use. Should he or she reside outside Switzerland, the same evidence must be submitted.

<sup>2</sup> The following documents may be admitted as evidence that the legal prerequisites are met:

- The relevant contractual documents when acquiring or constructing residential property or amortizing mortgage loans
- The regulations and the rental or loan contract with the relevant house building institution when acquiring shares

<sup>3</sup> If necessary, the Foundation may request additional documents for further clarification.

<sup>4</sup> If the insured person is married, written approval from the person's spouse is required for the early withdrawal or

pledge. The Foundation is entitled to request attestation of the signature. The insured person shall bear the costs for the attestation.

### **9.9 What costs arise?**

<sup>1</sup> The Foundation provides free information to the insured person about the encouragement of home ownership with funds from the occupational pension plan; it also provides information about the amount of funds at the person's disposal and about any resultant reductions in the insured person's pension benefits.

<sup>2</sup> The following costs are charged to the insured person for administrative work in connection with processing an early withdrawal or pledge.

<sup>3</sup> Requests will be carried out after receipt of the appropriate payment according to the administration costs regulation of the Foundation.

### **9.10 What are the legal bases?**

The BVG provisions on the encouragement of home ownership and the associated ordinance apply.

## 10 Technical appendix

### 10.1 Interest rates

(Status: January 1, 2024)

The BVG interest rate is 1.25 %.

The interest rate for late payment according to the FZG is equal to the BVG interest rate plus one percent.

### 10.2 Conversion rates for the old-age pension according to Section 4.4.2 Paragraph 2

(as of January 1, 2024)

<sup>1</sup> If a lump-sum distribution is only partially permissible, the capital contributed within the last three years is converted into a retirement pension, with the following conversion rates being applied:

#### Applicable conversion rates in 2024

Age	Conversion rates for 2024	
	Men	Women
58	2.77%	2.87%
59	2.86%	2.96%
60	2.94%	3.05%
61	3.04%	3.15%
62	3.14%	3.26%
63	3.24%	3.37%
64	3.35%	3.50%
65	3.47%	3.63%
66	3.60%	3.76%
67	3.74%	3.91%
68	3.88%	4.07%
69	4.03%	4.24%
70	4.20%	4.43%

<sup>2</sup> The conversion rates of the previous year apply to insured persons whose pension begins on January 1, 2024.

<sup>3</sup> The following benefits are included in the conversion rates: an expected partner's pension of 60% of the annuity.

<sup>4</sup> These conversion rates are decisive for the calculation of adequacy in the case of several pension relationships in accordance with Art. 1a BVV 2 para. 1 (cf. para. 4.2.3).

<sup>5</sup> Legal changes and adjustment to the applicable group life insurance tariff of Zurich are reserved.

### 10.3 Salary limits

(Status: January 1, 2024)

- BVG upper salary limit: CHF 88,200
- SIFO salary limit: CHF 132,300
- Maximum insurable annual salary under the BVG: CHF 882,000
- UVG upper salary limit: CHF 148,200

This remains subject to changes in legislation.

The salary limits according to BVG are normally adjusted to the development of the maximum pension or the maximum pension-constituting income of the OASI.

### 10.4 Pension age (Status: January 1, 2023)

Regular retirement age:

- Men: 65 years of age
- Women:
  - 64 years (born 1960 and older)
  - 64 years, 3 months (born 1961)
  - 64 years, 6 months (born 1962)
  - 64 years, 9 months (born 1963)
  - 65 years (born 1964 and younger)

The regular retirement age is specified in the pension plan regulations.

Transition provision for the first BVG revision: For disabled women whose inability to work is based on a disability that occurred before the 1st BVG revision as of January 1, 2005, the retirement age will remain at age 62.

Transitional provision for the stabilization of the AHV (AHV 21): For disabled women whose inability to work is based on a disability occurred after the first BVG revision but before the stabilization of the AHV (AHV 21) as of 1 January 2024, the retirement age will remain at 64.

This remains subject to changes in legislation.

# Organization regulations for the Administration Committee

## Vita Select Collective Foundation

### Art. 1 Administration Committee

<sup>1</sup> The management of the pension fund is the responsibility of the Administration.

<sup>2</sup> The Administration Committee constitutes itself and consists for a term of office of an equal number of members, as follows:

- employer's representatives<sup>1</sup>, appointed by the employer / self-employed person<sup>2</sup>, and
- the same number of employee representatives, selected from among the insured persons and taking

<sup>3</sup> The term of office lasts three years. New elections must take place in good time before the expiry of the current term of office. Re-election is permitted.

<sup>4</sup> The Administration Committee elects the president annually from among the employer and employee representatives at the first regular Administration Committee meeting of the calendar year.

<sup>5</sup> When the employment relationship is terminated, the member must leave the Administration Committee. A successor is elected for any remaining term of office.

### Art. 2 Electoral procedure

<sup>1</sup> The employees' representatives on the Administration Committee are elected by open or secret ballot. Election shall be by a simple majority of the votes cast (relative majority).

<sup>2</sup> The persons who gain the most votes during the first ballot shall be elected. If more candidates stand for election than there are places available, the

places will be given to those candidates with the largest share of votes. The candidates with no place allocated will be dropped from the elections.

<sup>3</sup> The results of the election and future changes in the composition of the Administration Committee are to be notified to the Foundation in writing without delay.

<sup>4</sup> If it is not possible to form an Administration Committee after being requested to do so by the Foundation Board, e.g. as a result of unwillingness by employees, incapacity to act, lack of language ability, etc., the Foundation Board may represent the interests of the employees until an Administration Committee has been formed.

<sup>5</sup> In the case of micro-affiliations in which all insured persons can be classified as employer representatives, the employee representative can be elected from among the insured persons.

### Art. 3 Adoption of resolutions

<sup>1</sup> The Administration Committee shall meet as often as required to deal with matters arising, but at least once a year. Meetings will be called by the Chairman, or if half of the members of the Administration Committee request that a meeting be called.

<sup>2</sup> Invitations and notice of items on the agenda must be sent out in good time before the date of the meeting.

<sup>3</sup> As a general rule, the Administration Committee is quorate when more than half of the committee members – including the Chairman – are present. All resolutions shall be passed on the basis

of a relative majority. If there is no majority, the Chairman has the casting vote.

<sup>4</sup> Resolutions may also be passed by way of circular letter. The relative majority applies to circular resolutions.

<sup>5</sup> Minutes shall be kept of all resolutions passed by the Administration Committee, to be signed by the Chairman and by the minute-taker representing the other half of the Committee. The minutes must be submitted to the Foundation.

<sup>6</sup> The Foundation reviews submitted Administration Committee resolutions to ensure compliance with laws and the Regulations.

<sup>7</sup> The Administration Committee subscribes in two.

### Art. 4 Duties, rights and obligations of the Administration Committee

The Administration Committee performs the following fund manager functions in relation to the current supplementary pension plan:

- a) It shall approve the pension plan which in particular specifies the type and scope of the pension benefits provided, the contributions to be made by the insured persons, and any other pension-specific provisions. Making and issuing changes to the pension plan is only possible in accordance with the conditions laid down by the Foundation.
- b) It decides on the investment options for the insured persons within the Foundation's guidelines.

<sup>1</sup> If the employer is a legal entity, then those persons who hold management functions (members of the

Board of Directors, directors, and associate directors) shall generally be deemed to be employer's representatives.

<sup>2</sup> If the employer is a natural person, he/she shall be deemed self-employed if he/she is a self-employed person within the meaning of OASI law.

- c) In the event of operational changes (restructuring, mergers, etc.), it decides on any restriction of the investment vehicles available for selection.
- d) The Administration Committee liaises with the Foundation.
- e) The Administration Committee decides on the appropriation of unrestricted assets of the pension fund. In the case of underfunding or insufficient required reserves, funds are appropriated in consultation and in agreement with the Foundation.
- f) The Administration Committee instructs the employer to transfer the contributions to the Foundation. It notifies the Foundation of any irregularities.
- g) It informs insured persons of the current status of their pension insurance. Upon request the insured can receive information, as provided by law, about the organization, activities and financial situation of the pension fund and Foundation.
- h) The Administration Committee decides on any financial restructuring measures in consultation with the Foundation.
- i) It complies with the principles and objectives set out in the applicable regulations within the framework of the statutory provisions.

## Art. 5 Duties of the employer

<sup>1</sup> The employer deals with the Foundation and provides the information required for the provision of occupational pension coverage, including:

- Registration of persons who belong to the group of insured persons under the regulations
- Changes to the group of persons, such as new employees, resignation cases of disability and death, and any other changes which have an effect on the pension relationship
- Salary changes as of the contractual accounting date –generally
- January 1
- Notification of insured events and justification of claim;

<sup>2</sup> On terminating an employment relationship, the employer must inform the insured person without delay about the various options in relation to obtaining pension coverage and vesting and shall request the insured person to provide information to the Foundation as regards the preferred use of the termination benefits entitlement within 30 days.

## Art. 6 Relationship between Administration Committee and the employer

If the Administration Committee performs tasks in relation to the Foundation on behalf of the employer, it shall be deemed that the Committee is authorized to carry out such tasks by the employer.

## Art. 7 Disputes

Any disputes arising from these regulations should be notified to the Foundation.

## Art. 8 Unregulated matter

In cases not covered or insufficiently covered by these regulations, the Administration Committee as fund manager shall implement corresponding provisions in consultation with the Foundation in line with the Foundation objectives and applicable law.

## Art. 9 Amendments

<sup>1</sup> These regulations take effect on January 1, 2024, and replace all previous addenda.

<sup>2</sup> They can be modified by the Foundation Board at any time.

<sup>3</sup> The German original of this regulation is binding.

Zurich, November 2023

Vita Select Collective Foundation of Zurich Life Insurance Company Ltd

The Foundation Board