

Information sheet (valid from 1.10.2009)

### **Incapacity to Work / Contribution Exemption / Disability / Departure**

Occupational provision includes benefits in case of old age, death, and disability. This information sheet explains what to consider in case of incapacity to work, potential subsequent disability, and in this context, the departure of an insured person from the company. More detailed information on disability benefits can be found in the brochure 'My Pension Fund' at [nest-info.ch](http://nest-info.ch).

### **Reporting Procedure in Case of Incapacity to Work**

Our partner for handling incapacities to work, PKRück, places great emphasis on the quickest possible professional reintegration (Case Management). Please study the enclosed information sheet on reporting incapacity to work by PKRück. Timely reporting of incapacities to work to Nest by the company is crucial for successful professional reintegration.

Please fill out the 'Report of Incapacity to Work' form (available on the Nest homepage in the Service Center > Forms and Information Sheets) after 30 days of incapacity to work of an insured person or after recurrent shorter illness-related absences and send it to Nest, including the required copies.

### **More than 90 Days Incapacitated? Contribution Exemption at Nest**

Long-term incapacity to work can be financially stressful for those affected. Therefore, Nest's regulations allow for the suspension or reduction of premium payments. What are the specific regulations?

Nest exempts connected companies and their insured persons from contributions if an insured person is incapacitated for work for more than 90 days. From the 91st day of full incapacity to work, no premiums are due.

Contribution exemption also applies in case of partial incapacity to work of at least 25 percent and is then based on the degree of incapacity.

During the first ninety days of incapacity to work, the company owes premiums at the same level as before.

The contribution exemption does not affect the continuation of the insurance; the savings contributions for retirement provision continue to accumulate in the insured person's retirement account.

To claim the contribution exemption, the company must report an incapacity to work of more than 90 days to Nest."

### **Entitlement to Disability Benefits**

If an insured person is at least 40 percent incapacitated for work without significant interruption during a year, they can apply for a disability pension from the Federal Disability Insurance (IV). Usually, the disability pension from occupational provision becomes due at the same time as that of the IV. If the company has concluded a daily allowance insurance, the loss of income is sufficiently covered, and the IV pension from Nest commences when no sickness daily allowances or accident daily allowances are paid anymore. If an accident insurer provides benefits, the BVG (Occupational Benefits) benefits are limited to the statutory minimum.

At the IV, a pension claim arises only from 40 percent disability; the regulations of Nest provide in Art. 35, para. 1 for a pension already from a degree of disability of 25 percent. Therefore, Nest may pay a pension even though the Federal Disability Insurance does not simultaneously grant such a pension.

### **... Upon Leaving the Company**

Which pension fund is responsible when someone becomes disabled? It is always the pension fund where a disabled person is or was insured – specifically at the time when the permanent incapacity to work, leading to disability of at least 20 percent or more, occurred.

Therefore, Nest asks about the capability or incapacity to work on the departure form when leaving the company.

Since it is initially unknown whether a person, who is incapable of work at the time of departure, might later claim disability benefits, Nest only releases them from their insurance once they are capable of work again.

If you have any questions, please contact Nest customer service.