die ökologisch-ethische Pensionskasse

Nest Sammelstiftung

Pension Fund Regulations

1. General provisions

Art. 1 Name and purpose

1 Under the name "Nest Collective Foundation", hereinafter referred to as "Foundation", a pension fund foundation has been established with its registered office in Zurich. The Foundation offers the employees of companies with which the Foundation has concluded an affiliation agreement, as well as their dependants and survivors, protection against the economic consequences of old age, death and disability.

2 The rights and obligations of the members and the employers are governed by these Pension Fund Regulations and the affiliation agreement, including the pension plan.

3 The Foundation is involved in the implementation of the mandatory occupational benefit scheme and is listed in the register for occupational benefit schemes.

4 The Foundation may reinsure individual risks with an insurance company that is subject to regular insurance supervision.

Art. 2 Affiliation agreement / pension plans

1 Additional rights and obligations of the companies and the Foundation are governed by the affiliation agreements, which also contain the applicable pension plans and their funding. This is subject to any other provisions stipulated in the Regulations or by law.

2 Separate assets such as employer contribution reserves shall be used exclusively for the respective company and its members.

3 The affiliation agreement also governs the administrative costs. Additional costs may be incurred for special expenses in accordance with the cost regulations.

4 Members may switch pension plans as of 1 January, 1 April, 1 July and 1 October of each calendar year. A respective written notification shall be submitted at least one month in advance.

Art. 3 Scope of application and relation to the BVG

1 These Pension Fund Regulations apply to all employee benefits schemes and pension benefits provided by the Foundation.

2 Each affiliated company's benefits and savings contributions are set out in their respective pension plan. Risk premiums and administrative costs are listed in the contribution breakdown.

3 The Foundation shall provide the benefits agreed in the pension plan, however at least the minimum benefits pursuant to the BVG, and shall itemise these, including the adjustments of survivors' and disability benefits to price trends as mandated by the Federal Council, in a shadow calculation.

4 In the shadow calculation pursuant to para. 3, the conversion rates on retirement at the reference age pursuant to the BVG are equal to the minimum conversion rates pursuant to the BVG. In the event of earlier retirement, these conversion rates are reduced by 0.012% for each month of early retirement. In the event of later retirement, the conversion rates increase by 0.012% for each month of deferral.

5 Where members withdraw pension assets (in the context of the promotion of home ownership or a divorce), the BVG retirement assets shall be reduced on a pro rata basis. If part of the

retirement benefit is drawn in the form of a lump sum, the BVG retirement benefit shall be reduced on a pro rata basis.

6 When pension assets are repaid (in the context of the Promotion of Home Ownership Act or a divorce), the repayment shall be credited to the BVG retirement assets in the same ratio as the withdrawal. If the proportion of the BVG retirement assets cannot be determined at the time of the withdrawal, the BVG shall apply.

Art. 4 Information for members

1 The Foundation shall inform the members on an annual basis regarding
   a) the insured salary
   b) the benefits
   b) the contributions
   b) the retirement assets
   e) the funding
   f) the organisation and members of the Board of Trustees
   g) the exercise of shareholder voting rights pursuant to Article 71b BVG

2 The annual report and the annual financial statements shall be made available to members on request.

3 The updated information pursuant to paras. 1 to 2 is also available on our website at www.nest-info.ch.

4 On request, the members shall also receive adequate information regarding the investment income, the actuarial risk development, the administrative costs,
the calculation of the coverage capital, the formation of reserves and the coverage ratio.

5 Disputes concerning members' right to information may be submitted to the supervisory authority for consideration in accordance with Art. 62 para. 1 letter e BVG.

Art. 5 Data privacy

In respect of members' personal data, the Foundation shall observe the statutory data protection provisions (DSG and Art. 85a–87 BVG). The current data privacy regulations and recommendations are available on the website and on the members' portal.

Art. 6 Information and reporting requirement

Affiliated companies and members are required to provide the Foundation with all information and supporting documentation necessary for the implementation of the occupational benefits scheme without delay, at the latest within one month, in particular as regards registration for insurance, changes in marital status (marriage, divorce), the onset of incapacity for work, or death as well as departure from the company.

Art. 7 Liability

The Foundation rejects any liability for consequences arising from a breach of obligations by affiliated companies or members and reserves the right to claim damages and reclaim any benefits that have been wrongly paid.

2. Mandatory insurance

Art. 8 Members; admission requirements

1 Subject to para. 3, the Foundation shall insure all employees of affiliated companies who meet the admission requirements set out in the pension plan.

2 Employees are defined as all wage earners whose employer is required to pay contributions to the AHV/IV.

3 The following are not subject to mandatory insurance

- a) employees who have not yet turned 17 years of age
- b) employees earning an AHV salary below the BVG entry threshold; subject to other provisions in the pension plan
- c) employees who have reached or exceeded the reference age
- d) employees whose employment contract is limited to a maximum of three months. If the employment contract is extended beyond a period of three months, such employees shall be admitted to the Foundation at the time the extension is agreed.
  A temporary employment contract is deemed to have been extended if renewed employment is agreed within six months of the termination of the contract.
- e) employees who work part-time and are already subject to mandatory insurance in respect of a full-time occupation, or whose main occupation is self-employment.
  In cases of doubt, the occupation earning the higher annual AHV salary is considered to be the main occupation.
- f) employees who do not work or are unlikely to work permanently in Switzerland and have adequate insurance abroad, provided they apply for exemption from admission to the Foundation
- g) individuals who receive a full IV pension

4 The Foundation may admit individuals who are entitled to a full IV pension to the pension scheme on a voluntary basis. The Foundation decides whether to insure the risks of death and disability on the basis of a medical report.

Art. 9 Insurance of self-employed persons

1 Self-employed persons may be admitted to the insurance scheme provided they work for the affiliated company on a permanent basis, are employed there full-time and have insured their employees on equivalent terms.

2 Self-employed persons must be registered by the age of 55 at the latest.

3 Under the terms of an association insurance scheme, self-employed persons may be admitted to the insurance scheme up to the age of 60.

4 Where self-employed persons no longer have any employees, they may continue to be insured under the same conditions for a maximum of two years if they were previously insured with the Foundation for at least one year.

5 Self-employed persons shall pay an additional risk contribution to cover the risk of accident.

Art. 10 Voluntary insurance

1 Where members take unpaid leave, insurance of the risks of death and disability, including or excluding pension insurance, may be maintained at the previous level, however without accident

cover, for a maximum period of 12 months as of the date on which the unpaid leave commenced. The Foundation shall not pay any benefits in the event of death or disability as a result of an accident. The Foundation recommends that members continue to take out mandatory accident insurance via an indemnity insurance policy or take out private accident insurance.
Affiliated companies shall notify the Foundation of any unpaid leave in writing in advance. Employers may ask members to repay the full contributions for the continued insurance.

2 Members who have employment contracts with several employers may be additionally insured in respect of the AHV salary they receive from other (including non-affiliated) companies, provided the affiliated company agrees to assume liability for the entire contribution. The Foundation shall calculate the pro rata distribution of the contribution among all companies concerned, using the proportional ratio of the various wages as the distribution key.
The liable company shall invoice the other employers for their shares of the contribution.

3 Members who have been insured with the Foundation for at least one year and whose employment contract with an affiliated company is terminated may continue the pension scheme and/or risk insurance to the same extent as before, provided they do not earn a BVG salary with another employer. The continuation of the risk insurance may be subject to a medical examination.
The continuation of this insurance is limited to a maximum of two years.
The Foundation shall notify departing members of this option as soon as they have been deregistered by the affiliated company and shall grant them a period of 30 days to register for the continuation of their insurance. Members who commence a new employment are required to transfer to the employee benefits institution of the new employer if their salary exceeds the entry threshold.

Art. 11 Continued insurance pursuant to Art. 47a BVG

1 Members leaving the mandatory insurance scheme after reaching the age of 58 due to the termination of their employment by the employer may apply to the Foundation for continued insurance up until 30 days after the termination of their employment. Continued insurance shall be provided in accordance with the previous pension plan. The last insured salary shall be retained unchanged.

2 The risks of death and disability shall be covered to the same extent as before. Members shall pay contributions to cover both these risks and the administrative costs.

3 Members also have the option of further accruing retirement assets on the same scale as before. In this case, the members are responsible for paying the respective contributions.

4 If the continued insurance has lasted more than two years, the insurance benefits must be drawn in the form of a pension. This is subject to the pension limits pursuant to Art. 24 para. 3. The termination benefit may no longer be used under the promotion of home ownership scheme.

5 Continued insurance shall end upon the occurrence of the risk of death or disability where members are entitled to full pensions, or when the member reaches the reference age. In the case of partial disability, insurance shall be reduced according to the entitlement to a partial pension. Continued insurance shall also end upon admission to a new insurance scheme, provided more than two-thirds of the termination benefit is required to buy into the full benefits under the new institution’s regulations.

6 Continued insurance may be terminated by the member at any time and by the Foundation in the event of outstanding contributions.

7 The employee benefits institution shall issue quarterly invoices for contributions and may terminate the insurance if outstanding contributions are not paid within 30 days of a single reminder.

Art. 12 Commencement of insurance cover

Insurance cover shall commence on the date of the company's affiliation, or on the date on which the member starts work or should have started work at an affiliated company on the basis of the employment contract, at the latest on the date on which the member starts his/her journey to work and/or on the date on which the admission requirements in accordance with the pension plan are met.

Art. 13 End of insurance cover

1 Insurance cover shall end upon termination of the employment contract with the affiliated company, upon lapse of the admission requirements or upon termination of the affiliation agreement, provided and insofar as no claim to disability or retirement pensions exists or commences.

2 In the event of partial disability, insurance cover shall end in accordance with the remaining earning capacity, provided and insofar as the employment contract has been terminated or the admission requirements are no longer met.

3 Members shall remain insured for the risks of death and disability for one month after the termination of the pension cover. Where members join a new insurance scheme before this, the new employee benefits institution shall assume responsibility.

4 This is subject to the right to continued insurance pursuant to Art. 10 para. 3.

Art. 14 Health assessment

1 If benefits are insured in excess of the statutory minimum benefits, the Foundation may request information on the state of health of the prospective member by means of a questionnaire and, if appropriate, a medical certificate. The Foundation may request further supporting documents or order a medical examination by an independent medical officer at its own expense.

2 A health assessment may be carried out upon admission to the insurance and in the event of any increase in the insured risk benefits by more than 10 percent. This may arise, for instance, in the case of an increase in the insured salary, an amendment of the insurance plan or in the case of a buy-in.

3 If the assessment indicates an increased risk, the Foundation may refuse a new affiliation, an employer's voluntary insurance or a change in the plan involving higher disability and/or death benefits. However, the Foundation may also charge a premium on the risk contributions in accordance with the actuarial principles or issue a health reservation.

4 Where applicants provide misleading information in the context of the health assessment, or conceal facts that are essential for the risk evaluation, the Foundation shall be entitled to terminate the contract within 30 days of learning of the misrepresentation insofar as the contract relates to supplementary insurance.

5 Where members fail to cooperate within reason in the health assessment or refuse to provide information, the Foundation shall be entitled to limit its benefits to the minimum BVG benefits under the terms of a health reservation.

6 If a claim for risk benefits arises before completion of the health assessment that is attributable to current conditions and infirmities as well as to the consequences of illness or accidents from which the member was already suffering before the commencement of the insurance cover, the Foundation shall be entitled to limit its obligation to pay benefits to the minimum BVG benefits unless another insurance company is responsible for the benefits.

Art. 15 Risk cover in the event of a health reservation

1 Health reservations refer exclusively to members' specific, pre-existing health problems. The BVG minimum benefits are never subject to a reservation. The pension cover acquired with the paid-in vested benefits may not be reduced by a reservation.

2 Reservations shall be limited to five years and will not become effective unless a claim arises that is connected with the cause of the reservation. Full cover under the Regulations applies for all other causes.

3 If members die during the reservation period or if any incapacity for work occurs during the reservation period which subsequently leads to disability, the Foundation shall limit all survivors' and disability benefits during the entire insurance period, i.e. beyond the reservation period, to the benefits nominally insured with the previous insurer up to a maximum of the benefits set out in the pension plan. The BVG minimum is guaranteed in all cases.

4 If a reservation for the same cause was in effect with a previous employee benefits institution, the reservation period that has expired shall be taken into account.

Art. 16 Salary definitions

1 The relevant annual salary for the pension relationship is the expected annual AHV-liable salary as reported by the company, including any annual salaries earned with other employers within the meaning of Art. 10 para. 2; this is subject to any diverging provisions in the pension plan. The relevant annual salary is determined for the entire year and converted to a full year for any admissions during the year. The salary shall be reported to the Foundation at the beginning of each year or upon admission.

2 Occasional salary components, such as length of service awards, bonuses, performance premiums or severance payments shall not be included. Other occasional salary components are included unless the pension plan expressly rules out such components.
Regular salary components such as bonuses, profit sharing, shift supplements and overtime compensation shall be included in the relevant salary up to the upper BVG limit (three times the maximum AHV pension). Bonuses and profit sharing above the upper BVG limit shall not be insured unless the pension plan expressly states otherwise.

3 Where the level of employment or income fluctuates significantly, the pension plan shall specify the method by which the relevant salary will be determined. This may be based, for instance, on the previous year's AHV salary, the average of the last three years or the company's reasonable estimate of the expected AHV salary.

4 Changes in salary of at least 10 percent of the annual AHV salary shall be reported to the Foundation immediately, however no later than the first payment of the new salary.

5 If the relevant annual salary is temporarily lower due to illness, accident, maternity, paternity, adoption, care leave, reduced working hours or similar reasons, the previous annual salary shall remain relevant as long as the employer's continued salary payments, or salary replacement payments (daily allowance paid by health insurance, EO, ALV, etc.), largely compensate for the lower salary. During this period, the full contributions shall be paid by the member and the

affiliated company. However, members may request a reduction of the insured salary. In this case, the contributions payable by such members and the affiliated company shall be commensurate with the reduced insured annual salary. The affiliated company shall notify the Foundation of this reduction without delay.

6 For self-employed persons, the relevant salary is equal to the declared annual AHV income.

7 The insured annual salary forms the basis for the calculation of the savings contributions and the benefits before the reference age. It is calculated on the basis of the relevant annual salary and is defined in the pension plan.

8 The pension plan defines any divergent regulations for part-time employees. Such increases in the insured salary are not aggregated with the statutory preferential treatment of partially disabled persons.

9 If a member sustains a disability of at least 25 percent, the insurance shall be divided into an active (not disabled) and a passive (disabled) part according to the level of disability. The annual salary for the active part is determined in accordance with paras. 1 to 7. As regards the passive part, the annual salary determined at the start of the entitlement to a pension from the Foundation remains authoritative.

10 The maximum insurable salary corresponds to ten times the upper threshold amount pursuant to Art. 79c BVG.

Art. 17 Continued insurance of the previous salary from age 58

Where members' AHV salary is reduced by no more than half after reaching the age of 58, they may request that their previous insured salary relevant to the pension insurance be maintained until retirement, however no longer than until the reference age. The Foundation shall be notified of any continued insurance no later than upon payment of the first reduced AHV salary. The full employer and employee contributions relating to the part of the salary that continues to be insured shall be paid by the member. The employer may pay part of the contributions.

Art. 18 Age definitions

1 The age relevant for determining the level of contributions and retirement credits corresponds to the difference between the current calendar year and the member's year of birth.

2 The reference age is the same as the AHV reference age.

3 This is subject to other age definitions for special cases which are defined in the Regulations, the affiliation agreement or the pension plan.

3. Funding of the benefit scheme

Art. 19 Liability to pay contributions

1 The affiliated companies' and the members' liability to pay contributions shall arise at the commencement of the insurance cover (Art. 12).

2 The liability to pay contributions shall end

a) upon termination of the insurance cover

b) on reaching the reference age

c) at the end of the month in which death occurs.

3 On commencement of the liability to pay contributions, the contributions are due on the 1st day of each month. However, if the insurance cover commences after the 15th of a month, the contributions shall be due as of the 1st day of the following month.

4 Once the liability to pay contributions has ended, the contributions are payable up to the last day of the month. However, if the insurance cover ends before the 16th of a month, the contributions are only due until the last day of the previous month.

Art. 20 Contributions

1 The contributions include

a) the savings contributions for the retirement benefits
b) the risk contributions for the risks of death and disability
c) further recurrent employer's contributions
d) the administrative cost contributions.

2 Contributions up to age 24 which serve exclusively to cover the risks of death and disability as well as administrative costs are not included in the calculation of the minimum termination benefit at the time the liability to pay contributions ends (Art. 17 FZG).

3 The affiliated company shall deduct the contributions from the members' AHV salary or salary replacement payments every month and transfer them to the Foundation together with the employer's contributions.

4 The employer's contributions shall be at least equal to the sum of the contributions of its members. For each company, the split of contributions between the company and the members is defined by the pension fund committee, communicated to the Foundation in writing and recorded in the pension plan.
In the case of co-insured employers, no more than 50 percent of the contributions may be covered by company funds.

Art. 21 Entry benefit; buy-in of full benefits under the Regulations

1 Members are required by law to transfer the termination benefit owed by their previous employer's employee benefits institution and any pension capital from a vested benefits institution to the Foundation within one year of joining.

2 Buy-ins may not be made until all vested benefits have been transferred to the Foundation. The Foundation reserves the right to pay supplementary benefits relating to a late transfer of termination benefits exclusively in the form of a lump sum. Where the paid-in termination benefits exceed the amount required to finance the full benefits under the Regulations, members may decide whether the excess should be credited to their retirement assets at the Foundation or transferred to a vested benefits institution.

3 Members who have not bought into to the full regulatory benefits in relation to the reference age may buy into the full regulatory benefits until reaching the reference age or, in the case of deferred retirement, until reaching the age of 70.In the event of incapacity for work, buy-ins are no longer possible in the period between registration with the disability insurance fund and the legally binding decision by the disability insurance. Once partial disability has been legally established, buy-ins may only be made for the active (valid) portion insured with the Foundation. The buy-in payment shall be credited to the member's individual retirement assets as per the Regulations.

4 However, buy-ins can only be made if any previous withdrawal under the home ownership promotion scheme with funds from the occupational benefits scheme has been repaid in full. This is subject to the right to renewed buy-ins after divorce.

5 The minimum respective buy-in amount is CHF 5,000.00 and shall be paid in one sum.

6 After a buy-in, any benefits resulting from the buy-in may not be drawn as a lump sum within the following three years. This also applies to advance withdrawals under the home ownership promotion scheme.

7 The calculation of the buy-in amount is governed by the pension plan. In the case of former self-employed persons, the part of the pillar 3a credit balance that exceeds the compounded sum of the annual contributions permitted in addition to a 2nd pillar is also taken into account. Interest is compounded using the applicable minimum BVG interest rates. The amount of the maximum possible buy-in is specified in the pension certificate.

8 Where members are already drawing or have drawn retirement benefits and subsequently resume gainful employment or increase their level of employment, the maximum buy-in amount shall be reduced by the amount of the retirement benefits already drawn.

9 Members' employers may also make the buy-in on behalf of the members. In this case, the applicable rules and limits are the same as if the members were making the buy-in themselves.

10 Members wishing to effect a buy-in are responsible for clarifying the matter with their cantonal tax authorities.

11 After divorce, renewed buy-ins can be made without restriction until full retirement.

Art. 22 Buy-in for early retirement

1 From the age of 50, members may also make buy-ins for early retirement. At the agreed early retirement date, the maximum amount of the buy-in may not exceed the expected retirement pension the member would receive upon retirement at the reference age. The calculation of the expected pensions is based on a projected interest rate defined by the Board of Trustees. The projected interest rate is specified in the Appendix. If the accrued retirement assets exceed the amount available for a full buy-in under the Regulations, the accrued retirement assets and the possible buy-in for early retirement are reduced by the excess amount in the calculation.

2 Before members make a buy-in for early retirement, they are required to make the maximum buy-in for the full benefits under the Regulations in accordance with Art. 21.

3 The rules governing buy-ins pursuant to Art. 21 shall apply mutatis mutandis to buy-ins for early retirement.

4 Where members retire later than the agreed date for early retirement, the pension that would be paid out if the benefits or part of the benefits had not been withdrawn as a lump sum may not exceed the expected retirement pension at the reference age that such members would have received if they had not bought in the benefits for early retirement by more than 5 percent. Any excess portion of the buy-in for early retirement is forfeited in favour of the Foundation. Repayment is not admissible.

5 Once the early retirement date has been reached, the retirement assets will cease to earn interest, savings contributions will no longer be charged and retirement credits will no longer be accrued, subject to continuation of the insurance in accordance with Art. 28.

Art. 23 Interest rates

1 The Board of Trustees shall set each year's interest rate on retirement assets at the beginning of the calendar year. This rate applies to insured and disabled members who leave the Foundation or receive retirement benefits before 31 December of the year, as well as to members who die before December of the year. At the end of the year, the Board of Trustees shall determine the final annual interest rate. The final rate then applies to the interest on the retirement assets of all other insured and disabled members.

2 The interest rate applicable to the BVG retirement assets shall be at least equal to the BVG minimum interest rate set by the Federal Council. This is subject to any measures taken in the event of underfunding (Art. 65d para. 4 BVG).

3 The current interest rates are specified in the Appendix and on the website www.nest-info.ch.

4. Retirement benefits

Art. 24 Retirement credits and retirement assets

1 An individual retirement account shall be maintained for each member who meets the requirements pursuant to the pension plan.

2 Credits to the retirement account include

- a) vested benefits contributed from previous insurance schemes, insofar as they are required for the full benefits under the Regulations
- b) retirement credits
- c) repayment of early withdrawals, buy-ins of insured benefits, one-time contributions arising from divorce
- d) by resolution of the pension fund committee: additional credits, shares in the distribution of disposable assets, etc.
- e) employer's deposits
- f) interest.

3 The retirement assets are reduced by

- a) advance withdrawals for home ownership
- b) payments resulting from divorce.

4 The sum of the amounts under para. 2 less the sum of those under para. 3 constitutes the retirement assets.

5 The amount of the retirement credits is defined in the pension plan.

6 At the end of the calendar year, the Foundation shall credit the individual retirement account with

- a) the annual interest on the retirement assets according to the account balance at the end of the previous year
- b) the non-interest-bearing retirement credits for the past calendar year.

7 Where members join the employee benefits institution during the year, the following shall be credited to their retirement account at the end of said calendar year

- a) the paid-in retirement assets
- b) the interest on the paid-in retirement assets calculated as of the transfer of the vested benefits
- c) the non-interest-bearing retirement credits relating to the portion of the year during which the member belonged to the employee benefits institution.

8 Where a vested benefit is paid in, a claim arises or a member leaves the insurance scheme during the year, the interest for the year in question is calculated in arrears on a pro rata temporis basis.

Art. 25 Regular retirement

1 Upon reaching the reference age, members shall be entitled to a lifelong retirement pension. The full pension entitlement also arises where members choose to keep up their employment either fully or partially.

2 The retirement pension at the reference age is equal to the accrued retirement assets multiplied by the conversion rate applicable at the time a member reaches the reference age. In the event of early or deferred retirement, the conversion rate shall be determined by the Board of Trustees in accordance with actuarial principles. The conversion rates are specified in the Appendix and on the website www.nest-info.ch.

3 Should the retirement assets accrued at the time of retirement exceed the limit for the maximum buy-in under the insurance plan by more than 5 percent, the excess portion of the retirement assets shall be paid out in the form of a lump sum, provided Art. 22 para. 4 does not apply. The retirement pension is then calculated on the basis of the remaining retirement assets. From age 58, reductions of the AHV salary during the insurance period with Nest no longer result in such restrictions.

4 Retirement is taken on the first day of the month after the reference age has been reached or after early or deferred retirement has been taken.

5 The entitlement to retirement benefits arises on the first day of the month following retirement.

Art. 26 Early withdrawal of retirement benefits

1 Subject to an advance notification period of three months, members may opt for an early withdrawal of retirement benefits from the age of 58, provided they discontinue their gainful employment either fully or partially and this results in a salary reduction. An early withdrawal of retirement benefits is only possible in the amount of the actual salary reduction.

2 In the event of partial, gradual or permanent reduction of the salary at a level of at least 20 percent of the previous salary, members may apply for partial retirement. A maximum of 3 stages are possible. In the case of gradual retirement, at least one year must elapse between two retirement stages. This also applies to partial retirement before full retirement.

3 Where members become disabled as defined in the Regulations following early partial retirement, they are entitled to disability benefits from the Foundation to the extent of their continuing insured gainful employment.

4 Partial retirement is not possible if members receive an annual AHV salary that is below the entry threshold pursuant to the BVG or the pension plan due to early, partial, gradual or permanent discontinuation of employment.

Art. 27 Voluntary flexible retirement with external bridging pension

1 Members leaving mandatory insurance due to their receipt of a bridging pension from an institution responsible for flexible retirement (e.g. FAR Foundation) may continue the occupational benefits scheme in the amount of the BVG retirement credits. Continued insurance excludes early retirement pursuant to Art. 26.

2 For the duration of the voluntary continued insurance until the reference age, the risks of disability and death are not insured. In the event of death, Art. 38 ("Payment of retirement assets in the event of death") shall apply.

3 Members shall notify the Foundation of the continuation of their pension insurance at the latest before payment of their bridging pension commences.

4 Members who are insured on a voluntary basis are responsible for the entire contributions, unless these are borne by the competent institution. In all other respects, the provisions under the Regulations apply mutatis mutandis.

Art. 28 Continued insurance after reaching the reference age

1 After the reference age has been reached, insurance may continue for a maximum of five years at the member's request provided the member continues to be gainfully employed without interruption and the income exceeds the entry threshold defined in the pension plan. During the deferral period, the retirement assets continue to earn interest unless they are used to pay retirement benefits.

2 The further accrual of retirement assets with retirement credits is governed by the pension plan. The affiliated company shall pay at least half of the contributions.

3 Where members become unfit for work for a period exceeding three months after reaching the reference age, they are not entitled to an exemption from contribution payments. The insured retirement benefit shall become due upon discontinuation of employment.

4 If members die after reaching the reference age, their survivors are entitled to the benefits that would be due upon the death of a recipient of a retirement pension. This is subject to the pay-out of the retirement assets pursuant to Art. 38.

Art. 29 Withdrawal of retirement benefits in the form of a lump sum

1 Upon retirement, members may draw either all or part of the retirement assets that they have accrued at the time of retirement in the form of a lump sum. This option of a partial withdrawal is limited to a maximum of three steps.

2 In the case of partial retirement, the maximum percentage lump-sum withdrawal is equal to the percentage salary deduction associated with the discontinuation of gainful employment.

3 If the accrued retirement assets exceed the target retirement assets by more than 5% and the resulting retirement pension exceeds CHF 48,000, the excess amount shall be withdrawn as a lump sum. This rule does not apply if the pension does not reach the threshold of CHF 48,000. It also does not apply if there is a salary reduction as defined in Art. 17 after reaching the age of 58.

4 A lump-sum withdrawal results in a reduction of the retirement pension and the co-insured benefits that is equivalent to the withdrawn lump-sum.

5 Members shall be notified of the option to choose between a pension and a lump sum in good time before they reach the reference age.

6 Recipients of a disability pension paid by the pension fund may not withdraw their assets as a lump sum unless they have registered the option to withdraw a lump sum before the commencement of the one-year waiting period pursuant to the IVG. A lump-sum withdrawal results in a reduction of the disability pension and the co-insured benefits.

Art. 30 Pensioner’s child benefit

1 Recipients of a retirement pension shall be entitled to a pensioner’s child benefit for each child that would be entitled to an orphan’s pension under the Regulations in the event of their death.

2 The pensioner’s child benefit shall be paid as of the same date as the retirement pension. The benefit expires when the underlying retirement pension lapses, however at the latest when the entitlement to the orphan’s pension under the Regulations would lapse.

3 The amount of the annual pensioner’s child benefit is equal to the minimum BVG orphan’s pension.

Art. 31 AHV replacement pension

1 Companies may set up a fund for AHV replacement pensions for members who retire early and do not yet qualify for an AHV retirement pension. The amount may not exceed the maximum single AHV retirement pension per year of early retirement.

2 Benefits and contributions are governed by the pension plan.

Art. 32 Notification periods

1 The Foundation shall be notified at least three months in advance of early retirement or the termination of a deferment. The commencement of a deferral shall be declared at least three months before the reference age.

2 Partial retirement shall be registered three months before the partial retirement.

3 The Foundation shall be notified at least three months in advance of a withdrawal of the retirement benefit as a lump-sum.

5. Death benefits

Art. 33 General requirements applicable to death benefits

An entitlement to death benefits arises if members

a) were insured at the time of death or at the onset of the incapacity for work whose cause resulted in the death, or

b) were at least 20 per cent but no more than 40 per cent incapacitated for work as a result of a congenital condition when taking up gainful employment and were insured at a minimum level of 40 per cent in the event of an increase in the incapacity for work whose cause resulted in the death, or

c) became disabled as a minor resulting in an incapacity for work of at least 20 per cent but not more than 40 per cent upon the commencement of gainful employment and were insured at a minimum level of 40 per cent in the event of an increase in the incapacity for work whose cause resulted in the death, or

d) were in receipt of a retirement or disability pension from the Foundation at the time of death.

e) Death benefits are granted in the event of death as a result of illness or accident.

Art. 34 Partner’s pension

1 Spouses of a deceased member shall be entitled to a lifelong partner’s pension, provided they
   a) are responsible for the maintenance of at least one child, or
   b) the marriage has lasted at least five years; if they were cohabiting immediately before the marriage, the duration of cohabitation is counted towards the duration of the marriage.

2 Where spouses do not meet any of these requirements, they are entitled to a one-time lump-sum settlement in the amount of three annual partner’s pensions.

3 Cohabiting partners of a deceased member shall be entitled to a lifelong partner’s pension, provided they
   a) are responsible for the maintenance of at least one child who was under their joint care before the death, or
   b) have cohabited with the member continuously for at least five years until the death of the member and one of the following two conditions is met:
      – The member has lived with the partner in the same home for the last five years until his or her death, or
      – has submitted a cohabitation agreement signed by both partners during his or her lifetime.

4 Surviving dependants shall notify the Foundation of their entitlement within three months of the member’s death.

5 The entitlement to a partner’s pension shall arise upon the death of the member, however at the earliest after full continued salary payments or salary replacement payments have ended, or once the entitlement to a retirement or disability pension has expired.

6 For beneficiaries who were married to the member, the entitlement to a partner’s pension shall expire upon remarriage or death; for other beneficiaries, the entitlement shall expire upon marriage, entry into a new cohabiting relationship or death. If the new marriage or cohabitating relationship is dissolved within ten years without any benefits payable, the claim against the Foundation shall be reinstated.

7 If the illness that led to the death was already present at the time of marriage or at the start of the cohabitation and must have been known to the member, no more than the statutory minimum benefits shall be paid provided the marriage or cohabitation lasted less than two years. If the partners were cohabiting immediately before the marriage, the duration of cohabitation is counted towards the duration of the marriage.

8 The amount of the partner’s pension is defined in the pension plan. In the event of the death of members who have drawn a retirement pension from the Foundation, the partner’s pension amounts to 60 percent of the payable retirement pension.

9 In the event of the death of a working member, beneficiaries may apply to the Foundation for a one-off lump-sum payment.

Art. 35 Pension for divorced spouses

1 Divorced spouses of deceased members shall be accorded the same status as widows and widowers, provided
   a) their divorce decree has awarded them a pension pursuant to Art. 124e para. 1 ZGB (substitute for lack of pension compensation) or 126 para. 1 ZGB (post-marital maintenance pension) and
   b) the marriage has lasted at least ten years.

2 The entitlement to a survivor’s pension shall continue as long as the pension would have been payable pursuant to the divorce decree.

3 The benefits will be reduced by the amount by which these benefits, together with the benefits of the other insurance schemes, in particular AHV and IV, exceed the entitlement pursuant to the divorce decree. Survivors' pensions under the AHV are only taken into account to the extent that they exceed the member's own entitlement to a disability pension pursuant to the IV or a retirement pension under the AHV.

4 The amount of the benefits shall be limited to the minimum benefits pursuant to the BVG.

Art. 36 Orphan's pension

1 The children pursuant to Art. 252 ZGB of a deceased member shall be entitled to an orphan's pension.

2 Foster children and stepchildren shall be accorded the same status as children, provided the deceased member was responsible for their maintenance and they are not entitled to an orphan's pension from another pension insurance scheme.

3 The entitlement shall arise upon the death of the member, however at the earliest after full continued salary payments or salary replacement payments have ended, or once the entitlement to a retirement or disability pension has expired.
The entitlement shall expire at the time of the orphan's death or when they turn 18 years of age.

4 Orphan's pensions shall also be paid out after the age 18
- a) to children who are still in full-time education, however not beyond their 25th birthday.
- b) to disabled children until they become fit for work, to the extent of their degree of disability.

5 The amount of the orphan's pension is defined in the pension plan. In the event of the death of members who are in receipt of a retirement pension, the orphan's pension amounts to 20 percent of the retirement pension paid. Where orphans were already receiving a disabled person's or pensioner's child benefit before the death of the member, such pension shall continue to be paid out instead of the orphan's pension, provided it is higher than the insured orphan's pension.

6 Where members were single parents prior to their death and no partner's pension pursuant to Art. 34 is payable, nor a lump-sum death benefit pursuant to Art. 37, their children shall be entitled to double the orphan's pension unless another employee benefits institution already pays them an orphan's pension.

Art. 37 Additional insured lump-sum death benefit

1 Insurance of a lump-sum death benefit may be agreed in the pension plan. This amount shall be paid irrespective of any lump-sum settlement for the partner according to the provisions of the pension plan. An entitlement shall only arise when members die before retirement, however at the latest before reaching the reference age.

2 In the event of death before retirement, buy-ins made into the Foundation's full regulatory benefits shall be paid out to the beneficiaries in addition to the insured survivors' benefits, provided this is stipulated in the pension plan. Buy-ins made at previous employee benefits institutions shall be reimbursed if members reported such buy-ins to the Foundation during their lifetime. Buy-ins for early retirement and transferred termination benefits due to divorce are not included.

3 The lump-sum death benefit is subject to the same ranking of beneficiaries as specified in Art. 38.

Art. 38 Payment of retirement assets in the event of death

1 Where members die before receiving a retirement pension, their retirement assets - insofar as they are not used to finance survivors' benefits pursuant to the Regulations - shall be paid out in accordance with the following order of priority:

a) to the widower or widow; in their absence,

b) to those children who are entitled to orphans' pensions; in their absence,

c) to natural persons who the member has supported to a significant extent, or the person who is responsible for the maintenance of one or more joint children, or who has lived continuously in cohabitation with the member for the last five years until the member's death,

and if one of the following two conditions is met:

– The member has lived with the partner in the same home for the last five years until his or her death, or

– has submitted a cohabitation agreement signed by both partners, or a preferential beneficiary declaration in accordance with para. 3, during his or her lifetime.

In the absence of beneficiaries pursuant to letter c:

d) to the children of the deceased person who are not entitled to an orphan's pension; in their absence,

e) to the parents of the deceased person; in their absence,

f) to the siblings of the deceased; in their absence,

g) to the other legal heirs, excluding the community, in the amount of 50 percent of the member's remaining retirement assets

h) in the absence of any beneficiaries, or if only half of the retirement assets are paid out, the remaining assets shall be transferred in full to the Foundation.

2 If there are several beneficiaries in one of the groups listed in para. 1 (letters a–g), the assets shall be divided equally among them.

3 To the extent permitted by law, members may, by written declaration, specify a preferential order of beneficiaries that deviates from the order of priority in para. 1 (letters d–f), provided that this serves the purpose of the pension provision more effectively. This preferential beneficiary declaration may be revoked at any time.

In this case, the general order of beneficiaries pursuant to para. 1 shall re-enter into force.

6. Disability benefits

Art. 39 Disability pension

1 Members shall be entitled to a disability pension

a) if they are at least 25 percent disabled as defined by the IV, provided they were insured with the Foundation at the onset of the incapacity for work whose cause led to the disability

b) if, as a result of a congenital condition, they were at least 20 percent but less than 40 percent incapacitated for work when they took up gainful employment and were insured for at least 25 percent when the incapacity for work whose cause led to disability became more severe

c) if they became disabled as minors and were therefore at least 20 percent but less than 40 percent incapacitated for work when they took up gainful employment and were insured for at least 25 percent when the incapacity for work whose cause led to disability became more severe.

2 If the degree of disability is 25% or above but less than 60%, the disability pension is equal to the degree of disability relative to a full disability pension. If the degree of disability is 60% or above, members are entitled to a three-quarter pension, if the degree of disability is 70% or above, they are entitled to a full disability pension.

3 Entitlement to a disability pension shall arise at the time the entitlement to an IV pension arises, however not before the end of salary payments or continued salary payments. Daily allowance payments are treated as continued salary payments if they amount to at least 80 percent of the lost AHV salary and at least half of the payments are co-financed by an employer.

4 If the IV does not pay a pension due to the fact that the degree of disability is less than 40%, the Foundation shall decide on the evidence, degree, onset and any change of the disability on the basis of a medical report.

5 Entitlement to a disability pension shall cease if the degree of disability drops below 25 percent or in the event of the member's death. Once members reach the reference age, the disability pension is replaced by the retirement pension. The legal status of the disability pension will remain unchanged, in particular with regard to coordination with other social insurances as defined by Art. 43 of these Regulations. If the minimum retirement pension pursuant to the BVG, including the mandatory inflation adjustments, is higher at the time of the reference age, the minimum retirement pension shall take the place of the retirement pension.

6 The degree of disability will be reviewed on a regular basis. Changes in the degree of disability entail a review and, if applicable, an adjustment of the entitlement to benefits.

7 The waiting period and the amount of the annual disability pension is defined in the pension plan.

Art. 40 Disabled person's child benefit

1 Recipients of a disability pension shall be entitled to a disabled person's child benefit for each child that would be entitled to an orphan's pension under the Regulations in the event of their death.

2 The disabled person's child benefit shall be paid as of the same date as the disability pension.

3 The benefit shall expire when the underlying disability pension lapses, however at the latest when the entitlement to the orphan's pension under the Regulations would lapse.

4 The amount of the annual disabled person's child benefit is defined in the pension plan.

Art. 41 Exemption from contribution payments

1 If a member is incapacitated for work due to accident or illness for an uninterrupted period of 90 days and in the event of disability, the obligation to pay contributions shall cease as of the 91st day after the onset of the incapacity for work.

2 The extent of the exemption from contribution payments is equal to the degree of incapacity for work. The calculation is performed pursuant to the provisions of Art. 39 para. 2.

3 In the event that the member temporarily regains the ability to work and this ability to work does not last longer than one year, the waiting period for the exemption from contribution payments shall not start anew, provided that the incapacity for work is due to the same cause.

4 The entitlement shall cease in full or in part if the incapacity for work ends in full or in part, if the entitlement to a disability pension from the Foundation ceases in full or in part, if the IV discontinues its benefits, if the member reaches the reference age or if the member dies.

Art. 42 Reintegration

1 The Foundation assists recipients of a disability pension in their efforts to return to work. In addition to the measures taken by the disability insurance, the Foundation reviews opportunities for reintegration on an ongoing basis. If opportunities arise, reintegration is pursued in cooperation with the members, employers and, if necessary, external specialists.

2 As long as members receive a transitional disability pension during a reintegration attempt (Art. 32 IVG), their insurance and benefit entitlement in respect of the Foundation shall persist. This also applies in cases where work attempts are undertaken with employers who are not affiliated with the Foundation.

3 If the disability pension is reduced or cancelled after a reduction of the degree of disability, members shall remain insured with the Foundation for three years at the same conditions, provided they had participated in IV reintegration measures prior to the reduction or cancellation of the pension, or the pension was reduced or cancelled due to the resumption of gainful employment or an increase in the level of employment.

4 During continued insurance and the continuing entitlement to benefits, the Foundation may reduce the disability pension up to the amount at which the reduction is compensated by the member’s additional income.

7. Joint benefit provisions

Art. 43 Ratio of the Foundation’s benefits to other insurance schemes

1 If the accident or military insurance pays a pension for the same insured event, the Foundation shall pay its pension benefits within the framework of the statutory coordination provisions, however not exceeding the minimum pension stipulated by the BVG. This is subject to divergent provisions in the pension plan. Retirement credits shall continue to accrue in accordance with the pension plan.

2 If a benefit case is due to accident and illness, the restriction pursuant to para. 1 applies exclusively to partial invalidity due to accident.

3 If the survivors’ or disability benefits combined with other eligible income exceed an income of 90 percent of the presumed lost earnings (including child and family allowances), the Foundation’s benefits shall be reduced by the excess amount. If insured salaries fluctuate, the presumed lost earnings are calculated on the basis of the average earnings of the last three years before the onset of the incapacity for work.

4 The following are deemed to be qualifying income

- a) AHV/IV benefits
- b) benefits provided by the mandatory accident insurance
- c) military insurance benefits
- d) benefits paid by other Swiss or foreign social insurance schemes and employee benefits institutions in connection with the insured event
- e) daily allowances under mandatory insurance schemes
- f) daily allowances paid by voluntary insurance schemes if at least half of the costs are financed by the employer
- g) benefits provided by vested benefits institutions
- h) the income from gainful employment or replacement income that continues to be earned or can reasonably be earned by disabled persons.

5 Additional income earned during participation in reintegration measures under the disability insurance scheme is not included.

6 The determination of the income from gainful employment or replacement income that can reasonably still be earned is based on the disability income pursuant to the IV decision reduced by 25 percent. In the absence of an IV decision or of information from the IV regarding the disability income, the Foundation shall be responsible for deciding the matter.

7 The income of the person entitled to a partner's pension and the income of the orphans are added together. Any reduction is applied proportionally to the individual pensions.

8 Lump-sum benefits are converted into equivalent pensions on an actuarial basis.

9 After the reference age has been reached, the Foundation shall reduce its benefits accordingly if the benefits coincide with accident or military insurance benefits or with comparable foreign benefits. Reductions in accident or military insurance benefits at the reference age shall not be compensated.
The reduced benefits of the Foundation, together with the benefits of accident insurance, military insurance or comparable foreign insurance schemes, must be at least as high as the full statutory benefits.

10 The calculation of the Foundation's benefits is based on the date of the onset of the incapacity for work that resulted in the disability or death. In the event of an increase, reduction or lapse of a social security pension, or in the event of a significant change in the qualifying income, the benefits under the Regulations shall be recalculated.

11 In cases of hardship and in the event of progressive inflation, the Foundation may waive reductions either in whole or in part.

Art. 44 Subrogation

As part of its BVG benefit liability, the Foundation shall enter into the claims of beneficiaries against liable third parties.
Persons asserting claims to survivors' or disability benefits shall assign to the Foundation any claims they may have against liable third parties arising from the insured event, provided that such claims have not already been transferred to the Foundation by law.

Art. 45 Refund

1 Any benefits unlawfully received from the Foundation shall be repaid.

2 The benefits may be offset against any remaining benefit claims.

3 In cases of hardship, the Foundation may waive recovery of the benefit if the member had accepted such benefit in good faith.

4 The Foundation's claim for recovery expires three years after the Foundation has gained knowledge thereof, however no later than five years after the payment of the benefit.
If the claim for recovery is derived from a criminal offence for which criminal law sets a longer limitation period, this period shall be decisive.

Art. 46 Inflation adjustment of pensions

1 The Board of Trustees reviews the matter of a possible adjustment of current pensions to inflation on an annual basis.

2 Pensions may not be fully or partially adjusted to inflation unless the Foundation's financial means so permit.

3 The adjustment of BVG survivors' and disability pensions is implemented in accordance with the Federal Government's specifications if their term has exceeded three years, irrespective of any deferral until the end of continued salary payments.

Art. 47 Proof of entitlement to benefits; costs

1 The Foundation may require the submission of supporting documents or further documentation and information as well as medical reports to establish eligibility for Foundation benefits. Costs for medical reports are covered by the Foundation. The costs for the remaining supporting documents are borne by the members.

2 At the request of the Foundation, pension recipients shall provide proof of life. The associated costs are covered by the Foundation.

3 Recipients of child benefits and orphan's pensions asserting a pension claim beyond the age of 18 shall provide regular confirmation issued by the training institute regarding the type and duration of their training.

Art. 48 Payment

1 Benefits shall be paid out as soon as all documents proving and establishing the commencement and amount of the benefit have been submitted and/or a legally binding decision has been made. If the entitlement to benefits has been established but payment is delayed, the Foundation may make advance payments on request.

2 Subject to Art. 89c BVG (Agreement on the Free Movement of Persons with the EU and other countries), the Foundation shall, as a matter of principle, meet its obligations in Switzerland only.
Any costs and risks associated with the transfer of benefits abroad (with the exception of EU or EFTA countries) shall be borne by the beneficiary.

3 As a matter of principle, payments are made directly to the beneficiaries.

4 Pensions are paid in monthly instalments. The payments are due on the first day of each month. Payments of disability benefits shall commence on the day following the expiry of the continued salary payments or salary replacement payments.

5 The pension instalment of the month in which the pension entitlement expires shall be paid out in full.

6 If, at the time the pension is drawn, the annual retirement pension or the disability pension payable in the event of full disability is less than 10 percent, the spouse's pension less than 6 percent or a child's benefit less than 2 percent of the simple minimum AHV retirement pension (individual pension), the existing termination benefit shall be paid out instead of the retirement pension, or the pension that has been capitalised in accordance with actuarial principles shall be paid out instead of the other pensions.

7 Lump-sum benefits are paid out in one sum on the first day of the month following retirement.

8 Where members are married, written consent bearing the partner's officially certified signature must be provided for all lump-sum payments, except in the case of para. 6. This specifically applies to

a) the drawing of retirement benefits in the form of a lump sum (Art. 29)
b) payment of the termination benefit in cash (Art. 52)
c) advance withdrawal of pension assets for home ownership (Art. 55 and Appendix).

9 Provided that beneficiaries have fully complied with their obligation to cooperate, interest will be paid on benefits after 60 days of receipt of all documents relevant to the payment of due disability or death benefits. The interest rate is based on the rate of interest on arrears applicable to termination benefits (cf. Art. 49 para. 3).

8. Termination benefit

Art. 49 Due date of the termination benefit

1 If the pension insurance is terminated before the occurrence of an insured event and benefits under these Regulations have not become payable, the member shall leave the Foundation upon the expiry of the last day of the employment contract or the lapse of the admission requirements according to the pension plan, and the termination benefit shall become due.

2 The termination benefit shall bear interest at the minimum interest rate pursuant to Art. 15 para. 2 BVG from the first day after departure from the Foundation.

3 Interest on arrears pursuant to Art. 7 FZV is only payable provided the due termination benefit is not transferred within 30 days of receipt of the necessary information regarding its use.

Art. 50 Amount of the termination benefit

1 The termination benefit is equal to the higher amount resulting from the comparison of the following calculation methods:

a) Calculation method 1 (retirement assets, Art. 15 FZG): The termination benefit is equal to the retirement assets accrued on the termination date pursuant to the Regulations.
b) Calculation method 2 (minimum amount, Art. 17 FZG): On departure, members are, as a minimum, entitled to the paid-in entry benefits and buy-in sums including interest as well as the contributions paid by them including interest and a surcharge thereon of 4 percent for each year of age beyond the age of 20, however not more than 100 per cent.
The contributions for the risks of disability and death, the administrative cost contributions and any recovery contributions in the event of underfunding are excluded.
c) Calculation method 3 (BVG retirement assets, Art. 18 FZG).

2 The interest rate in para. 1 letter b is equal to the minimum interest rate according to the BVG. For the duration of any underfunding, the rate shall be reduced to the interest rate applicable to the retirement assets.

3 There shall be no age surcharge of 4% per year of age on contributions in accordance with para. 1 letter b above where members have also paid the employer’s contributions in addition to their own.

Art. 51 Use of the termination benefit

1 The termination benefit shall be transferred to the new employee benefits institution in favour of the departing member.

2 The Foundation shall notify members who do not join a new employee benefits institution of their options for maintaining their insurance cover and of their right to continue their pension insurance with the Foundation. The members shall inform the Foundation within 30 days in which eligible form (vested benefits account, vested benefits policy) they wish to maintain their pension cover or whether they wish to continue their pension insurance with the Foundation.

3 Members who leave the Foundation after the age of 58 but before the reference age are entitled to choose between drawing a retirement pension or withdrawing a termination benefit.

4 The termination benefit may be transferred to a maximum of two vested benefit institutions.

5 Where members fail to notify the Foundation of the use of their termination benefit, the termination benefit including interest shall be transferred to the Substitute Occupational Benefit Institution, at the earliest after six months and at the latest two years after the vested benefit case occurred.

Art. 52 Payment of the termination benefit in cash

1 At the request of departing members, their termination benefit shall be paid out in cash if
   a) they leave Switzerland on a permanent basis
   b) take up self-employment as their main occupation and are no longer subject to the mandatory occupational benefit scheme
   c) the termination benefit is lower than the member’s annual contribution.

2 On leaving Switzerland, departing members shall submit the deregistration certificate issued by the Swiss residents’ registration office as well as official proof of residence abroad. If there are no supporting documents or if the foreign document gives rise to doubts as to the permanent change of residence, the Foundation may impose a waiting period of six months and request a further official document at the end of this period.

3 Where members take up self-employment as their main occupation, they must inter alia provide confirmation of their official self-employed status issued by the competent AHV compensation fund, or an equivalent document.

4 This is subject to the Agreement on the Free Movement of Persons with the EU and various bilateral agreements, including EFTA agreements.

Art. 53 Consequences of pension compensation in the event of divorce

1 If, in the event of divorce, a portion of a member’s termination benefit or hypothetical termination benefit is transferred to the employee benefit institution of the divorced spouse pursuant to a court ruling, the retirement assets shall be reduced accordingly. Depending on the insurance plan, the insured death and disability benefits may be reduced as a result.

2 The retirement assets under the Regulations and the retirement assets under the BVG shall be reduced on a pro rata basis.

3 The obligated spouse may buy back assets within the limit of the transferred termination benefit.

4 In the case of disabled members whose disability pension is calculated as a percentage of the insured salary, the retirement assets shall be reduced in accordance with the divorce decree. Ongoing disability and disabled person’s child benefits shall not be affected.

5 In the case of disabled members whose disability pensions are calculated on the basis of the accrued retirement capital, their current disability pension shall be reduced as of the date on which the divorce decree becomes effective. For this purpose, the original retirement capital accrued at the start of the pension is reduced by the pension compensation and the pension is

recalculated in accordance with the Foundation’s principles applicable at the time. The calculation of the reduction is based on the date the divorce proceedings were instituted. Ongoing child benefits shall not be reduced. Future child benefits are calculated on the basis of the reduced disability pension.

6 In the case of retired members, the ongoing retirement pension shall be reduced by the amount specified in the divorce decree. Ongoing child benefits shall not be reduced.
Future child benefits are calculated on the basis of the reduced retirement pension.

7 In the event of retirement during the divorce proceedings, the Foundation shall reduce the transferable portion of the termination benefit, or hypothetical termination benefit, and the retirement pension on the basis of the divorce decree. The reduction is equal to the amount by which the pension payments would have been lower until the divorce decree became effective if their calculation had been based on retirement assets reduced by the portion of the transferable termination benefit. Subject to any contrary provision in the divorce decree, the reduction is charged to both spouses in equal parts. The retirement pension shall be permanently reduced as of the date on which the divorce decree becomes effective.

Art. 54 Payment

1 If the pension compensation consists of a portion of the termination benefit or the hypothetical termination benefit, it shall be transferred as a one-time lump-sum payment to the beneficiary’s employee benefits or vested benefits institution.

2 If the pension compensation consists of a portion of a transferable ongoing pension it shall be converted into an independent lifetime divorce pension in favour of the beneficiary. This pension shall cease without replacement upon the death of the beneficiary.

3 All employee benefits institutions calculate the amount of the divorce pension according to uniform, legally defined technical bases.

4 In the case of active or disabled members, the compensation payments received in the form of a pension or a lump sum are credited to the beneficiary’s retirement assets.

5 Instead of a transfer of pension, the eligible spouse may lodge a written request with the Foundation for the transfer of a lump sum. The conversion into a lump sum is calculated according to the Foundation’s actuarial principles valid at the time the divorce decree becomes effective. The transfer of the lump sum shall settle all claims the member’s spouse holds against the Foundation.

6 If, at the time of the receipt of a compensation payment, a disability pension is payable, or if an incapacity for work exists which later leads to disability or death, this payment does not affect the amount of the disability and survivors’ benefits.

7 Where members are fully disabled or have reached the minimum age for early retirement, the incoming compensation payments shall be paid out to them on their request.

8 If beneficiaries are retired, the pension compensation is usually paid out in cash.

9 Where beneficiaries have already bought into the full regulatory benefits or the equalisation payment results in a surplus, members may decide whether the surplus should be credited to their retirement assets held with the Foundation or transferred to a vested benefits institution.

9. Promotion of home ownership using occupational pension benefits

Art. 55 Advance withdrawal or pledge for the purpose of financing home ownership

1 As long and insofar as they have not developed a disability, members may make an advance withdrawal to finance home ownership up to three years before reaching the reference age. They may also pledge this amount or their entitlement to pension benefits for the same purpose.

2 Details regarding advance withdrawals and pledging for home ownership purposes are governed by separate regulations.

10. Transitional and final provisions

Art. 56 Registered partnership

Registered partnerships and their judicial dissolution shall be accorded the same status as marriage and divorce.

Art. 57 Assignment, pledge and set-off

1 The entitlement to benefits may neither be pledged nor assigned before the benefits are due. This is subject to the provisions governing the promotion of home ownership.

2 The entitlement to benefits may not be offset against claims that the affiliated company has assigned to the Foundation unless they relate to contributions under the Regulations that have not been deducted from the member’s salary.

Art. 58 Guarantee Fund

1 The Foundation is affiliated with the Guarantee Fund by law.

2 The Foundation shall claim subsidies due to an unfavourable age structure for each affiliated company that meets the legal requirements. These subsidies are credited to the contribution account of the respective company. Companies that are affiliated with several employee benefits institutions shall be responsible for claiming the subsidies from the Guarantee Fund themselves.

Art. 59 Use of surpluses

In the event of the distribution of surpluses from insurance contracts, such surpluses shall be used in the following order:

1. Compensation of underfunding
2. Funding of reserves and financial reserves
3. Funding of the inflation adjustment on retirement pensions

4. Distribution to the retirement accounts of the active members; the Board of Trustees shall decide the distribution formula; the pension fund committees may decide on a different allocation or a different distribution formula for their employee benefits unit.

Art. 60 Disposable assets

Assets that are available after the formation of the target reserves shall be reported as disposable assets and may be used within the scope of the statutory provisions, inter alia for

a) the further formation of reserves in favour of the members
b) a reduction in contributions or an increase in benefits.

Art. 61 Partial liquidation

The provisions applying to the conditions and procedure of a partial liquidation are set out in separate regulations.

Art. 62 Financial recovery measures

1 In the event of underfunding, the Board of Trustees shall consult with the recognised occupational benefits expert to determine appropriate measures to remedy the underfunding. If necessary, the interest rate on retirement assets must be reduced, the contributions increased or the benefits, including current pensions in excess of BVG benefits, adjusted to the available funds after prior consultation with the supervisory authority. These measures may be combined. As long as the underfunding persists and the interest rate on the retirement accounts (Art. 24 para. 2 lit. f) is below the BVG minimum interest rate, the minimum amount pursuant to Art. 17 FZG shall also be calculated at the interest rate applicable to the retirement accounts.

2 In the event of underfunding pursuant to Art. 44 BVV 2, the Foundation may levy recovery contributions from employers, employees, pensioners and members with voluntary insurance cover under Art. 10 in accordance with the applicable statutory provisions.

3 Should the measures pursuant to para. 2 prove insufficient, the Foundation may set the interest rate below the minimum interest rate pursuant to Art. 15 para. 2 BVG for the duration of the underfunding, however, no longer than five years. The rate may not be more than 0.5 per cent lower than the minimum BVG rate.

4 The Foundation shall notify the supervisory authority, the affiliated companies, the members and the pensioners of the underfunding and of the measures taken.

Art. 63 Acquired claims and vested rights

The claims held by active members (acquired retirement assets) and pensioners (level of pensions and associated entitlements) that have been acquired in the Foundation up to the time these Regulations come into force shall be preserved.

Art. 64 Loopholes in the Regulations; disputes

1 In cases and situations not governed by these Regulations, the statutory provisions shall apply in the first instance. In the second instance, the Board of Trustees shall be authorised to establish rules in accordance with the meaning and purpose of the Foundation at its own discretion.

2 The cantonal courts designated for this purpose pursuant to the BVG shall be responsible for adjudicating any legal disputes that may arise from the application of these Regulations between the Foundation, employers, members or beneficiaries.

3 The place of jurisdiction is the Swiss registered office or place of residence of the defendant, or the place of business where the member is or was employed.

Art. 65 Entry into force; amendments

1 These Regulations were submitted to the assembly of delegates on 21 September 2023 and adopted by the Board of Trustees on 1 December 2023. The Regulations shall come into force on 1 January 2024 and shall replace the previous Regulations of 1 January 2023 including any amendments thereto.

2 The previous Regulations shall continue to apply in principle to benefit cases where the insured event already occurred prior to the entry into force of these Regulations. However, as regards the calculation of any overcompensation, the Regulations in force at the time of calculation shall be decisive.

3 The Board of Trustees may amend the Regulations at any time in compliance with the applicable statutory provisions and the Foundation’s purpose. Where possible, amendments shall be submitted to the assembly of delegates for consultation, unless they have to be made on the basis of laws, ordinances or official directives. All amendments shall be submitted to the supervisory authority.

Appendix

Actuarial principles, interest and conversion rates

As at 1 January 2024

Principles and interest rates

Actuarial principles	VZ 2020, Generation tables
Technical interest rate	1.75%
Projected interest rate	2.00%
Intra-year interest rate, 2024	1.25%
Year-end interest rate, 2023	1.75%
Interest on employer’s contribution reserve account	0.00%

Conversion rates

Men

Age Man	Year of birth 1959			Age Man	Year of birth 1960	Age Man	Year of birth from 1961
58				58		58	4.320%
59				59		59	4.460%
60				60		60	4.600%
61				61		61	4.740%
62				62		62	4.880%
63				63	5.120%	63	5.020%
64	5.350%			64	5.260%	64	5.160%
65	5.500%			65	5.400%	65	5.300%
66	5.650%			66	5.560%	66	5.460%
67	5.800%			67	5.720%	67	5.620%
68	5.950%			68	5.880%	68	5.780%
69	6.100%			69	6.040%	69	5.940%
70	6.250%	70	6.200%	70	6.100%		

Example: A man born in 1960 retires in 2025 at the reference age, i.e. at the age of 65. The applicable conversion rate is 5.4 %.
If this member takes early retirement in 2024, e.g. at the age of 64, the applicable conversion rate is 5.26% instead of 5.35%.

Transitional provisions applicable to the increase in the reference age for women

The reference age for women will be raised from the age of 64 to 65 in four stages. With effect from 1 January 2024, the reference age for women will be raised by three months on 1 January 2025. The first to be affected will be women born in 1961, followed by women born in 1962, for whom the reference age will be 64 years and six months. For women born in 1963, the reference age will be 64 years and nine months, and for women born in 1964 and later, it will be 65 years.

The following conversion rates apply:

Women

Age	Year of birth
Woman	1960
58	
59	
60	
61	
62	
63	5.350%
64	5.500%
65	5.650%
66	5.800%
67	5.950%
68	6.100%
69	6.250%

Age	Year of birth
Woman	1961
58	
59	
60	
61	
62	5.120%
63	5.260%
64	5.372%
64/3	5.400%
65	5.520%
66	5.680%
67	5.840%
68	6.000%
69/3	6.160%

Age	Year of birth
Woman	1962
58	
59	
60	
61	4.845%
62	4.985%
63	5.125%
64	5.244%
64/6	5.300%
65	5.380%
66	5.540%
67	5.700%
68	5.860%
69/6	6.020%

Age	Year of birth
Woman	1963
58	
59	
60	4.670%
61	4.810%
62	4.950%
63	5.090%
64	5.216%
64/9	5.300%
65	5.340%
66	5.500%
67	5.660%
68	5.820%
69	5.980%
69/9	6.100%

Age	Year of birth
Woman	1964
58	
59	4.495%
60	4.635%
61	4.775%
62	4.915%
63	5.055%
64	5.188%
65	5.300%
66	5.460%
67	5.620%
68	5.780%
69	5.940%
70	6.100%

Age	Year of birth
Woman	As of 1965
58	4.320%
59	4.460%
60	4.600%
61	4.740%
62	4.880%
63	5.020%
64	5.160%
65	5.300%
66	5.460%
67	5.620%
68	5.780%
69	5.940%
70	6.100%

Abbreviations / terms

AHV (Eidgenössische Alters- und Hinterlassenenversicherung)	Swiss Federal Old-Age and Survivors' Insurance
ALV (Arbeitslosenversicherung)	Unemployment insurance
ATSG (Bundesgesetz über den Allgemeinen Teil des Sozialversicherungsrechts)	Federal Act on the General Part of Social Insurance
BSV (Bundesamt für Sozialversicherungen)	Federal Social Insurance Office (supervisory authority)
BVG (Bundesgesetz über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge)	Swiss Federal Law on Occupational Retirement, Survivors' and Disability Benefit Plans
BVS (BVG- und Stiftungsaufsicht des Kantons Zürich)	BVG and Foundation Supervisory Authority of the Canton of Zurich (supervisory authority since 2012)
BVV 2 (Verordnung über die berufliche Alters-, Hinterlassenen- und Invalidenvorsorge)	Ordinance 2 to the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Benefit Plans
Cohabitation	Domestic partnership between two unmarried persons of different or the same sex who live in a stable exclusive relationship of two and could also enter into a marriage or a registered partnership
Company	Enterprise with which the Foundation has concluded an affiliation agreement
DSG (Bundesgesetz über den Datenschutz)	Swiss Federal Data Protection Act
Employee	Person who has concluded an employment contract with an affiliated company
EO (Erwerbsersatz-ordnung)	Swiss Loss of Earnings Compensation Act (coverage of salary payments in the case of military service and maternity)
Foundation	Nest Collective Foundation
FZG (Bundesgesetz über die Freizügigkeit in der beruflichen Alters-,	Swiss Federal Act on Vesting in Pension Plans

Hinterlassenen- und Invalidenvorsorge)	
IV (Eidgenössische Invalidenversicherung)	Swiss Federal Disability Insurance
IVG (Bundesgesetz über die Invalidenversicherung)	Swiss Federal Disability Insurance Act
MVG (Bundesgesetz über die Militärversicherung)	Swiss Federal Military Insurance Act
Pension plan	Part of the affiliation contract that governs benefits and contributions
Reference age	Same as the AHV reference age
Spouse	Person who is married to a member
UVG (Bundesgesetz über die Unfallversicherung)	Swiss Federal Accident Insurance Act
ZGB (Schweizerisches Zivilgesetzbuch)	Swiss Civil Code