

Occupational benefits  
Occupational benefits fund regulations

# Pension scheme for BVG-basic benefits

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Employee

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AXA Foundation  
for Occupational  
Benefits  
Winterthur

# 1. Fundamentals

## 1.1. Pension fund regulations

The occupational benefits fund regulations contain the basic principles and the general provisions relating to the occupational benefits plan.

## 1.2. Occupational benefits plan

The occupational benefits plan is an integral part of the occupational benefits fund regulations. It contains the individual provisions with respect to benefits and how the occupational benefits plan will be financed.

## 1.3. Eligibility

All employees shall be admitted to the occupational benefits insurance plan.

Enrollment is effective if an insured person draws an annual AHV/AVS salary above 3/4 of the maximum AHV/AVS retirement pension and the employment contract is open-ended or limited to a period of more than three months.

Furthermore, enrollment in the fund takes place if several consecutive engagements with the same employer last more than three months in total and if none of the interruptions exceeds three months.

## 1.4. Date of enrollment

Enrollment in the occupational benefits plan takes place when the prerequisites according to BVG are fulfilled.

## 1.5. Retirement age

Retirement age is reached on the first day of the month following the 65th birthday (men) or 64th birthday (women).

All or part of the retirement benefits may be withdrawn early or the occupational benefits insurance may be continued past retirement age.

## 1.6. Annual salary

The annual salary is the last known salary subject to AHV contributions adjusted in consideration of any agreed changes for the current year.

If the amount for the current year is not yet known, any regular variable remuneration, such as incentive pay, bonuses and gratuities, is included in the amount that was paid in the previous year.

Remuneration paid only occasionally is not included. This refers to

- one-off or unforeseeable or irregular special remuneration, gratuities and bonuses,
- gifts for anniversary service years, unless they are paid more frequently than every five years.

The maximum effective annual salary equals 3'000% of the maximum retirement pension payable under AHV/AVS.

## 1.7. Pensionable salary

The pensionable salary equals the annual salary minus a co-ordination deduction.

The co-ordination deduction from the annual salary is 7/8 of the maximum AHV/AVS retirement pension.

The co-ordination deduction for part-time employees is reduced in relation to the number of normal working hours.

The pensionable salary equals at least the BVG/LPP minimum salary.

An insured person who also works for one or more other employers may not insure the income received from these external employers under these regulations.

## 1.8. Notification requirements

In particular, the insured are required to notify their employer (for the attention of the foundation) of any change in marital status.

If the insured belongs to more than one pension fund and the sum of his/her salaries and income subject to AHV/AVS contributions is more than ten times the upper BVG/LPP limit, he/she must inform the foundation of all his/her pension fund memberships and the salary and income insured with each fund.

## 2. Pension fund benefits

### 2.1. Retirement benefits

#### 2.1.1. Retirement pension

The amount of the annual retirement pension is based on the accrued retirement assets on the retirement date and is calculated using the currently valid pension conversion rates.

If additional benefits were purchased to finance early retirement, the resulting retirement pension is paid out in addition.

The statutory conversion rate applies to the benefits prescribed by the BVG/LPP. The conversion rate for extra-mandatory benefits is determined by the Board of Trustees.

The Foundation informs the insured of the applicable conversion rates every year.

#### 2.1.2. Retirement credits

Annual retirement credits are determined according to the following rates:

Age (women)	Age (men)	Rate in % of the pensionable salary
25 - 34	25 - 34	8
35 - 44	35 - 44	11
45 - 54	45 - 54	16
55 - 64	55 - 65	19

If the occupational benefits insurance is continued past retirement age, the rates that are valid immediately before the insured reaches retirement age are applied.

Retirement credits below the statutory minimum are increased to equal the minimum.

The Board of Trustees determines the interest rates for retirement assets by taking into account the minimum BVG/LPP interest rate.

The Foundation shall inform annually about the interest rates that apply.

#### 2.1.3. Pensioner's child's pension

The annual pensioner's child's pension equals 20% of the retirement pension.

The final age at which an individual is still eligible for a pension is 18.

Children shall be eligible for benefits while they go to school and for as long as they have not completed their education or are at least 70% disabled, but not later than their 25th birthday.

## **2.2. Disability benefits**

### **2.2.1. Disability pension**

The full annual disability pension equals 60% of the pensionable salary.

The waiting period is 24 months.

### **2.2.2. Disabled person's child's pension**

The full annual disabled person's child's pension equals the amount of the orphan's pension.

The waiting period is 24 months.

The final age at which an individual is still eligible for a pension is 18.

Children shall be eligible for benefits while they go to school and for as long as they have not completed their education or are at least 70% disabled, but not later than their 25th birthday.

### **2.2.3. Waiver of contributions**

Entitlement to the waiver of contributions arises after a waiting period of 3 months.

### **2.2.4. Retirement assets from benefit purchases**

Retirement assets resulting from benefit purchases that may have been made for ordinary as well as for early retirement and the provisional retirement pension or capital derived from these amounts are not included when calculating the amount in disability benefits.

### **2.2.5. Continuation of occupational benefits insurance above the AHV retirement age**

If the occupational benefits insurance is continued above the regular AHV retirement age, disability benefits are no longer insured.

## **2.3. Benefits payable at death**

### **2.3.1. Surviving spouse's pension (Extended coverage)**

The annual surviving spouse's pension equals:

- before reaching retirement age 40% of the pensionable salary.
- after reaching retirement age 60% of the retirement pension.

- on continuing occupational benefits insurance above the regular AHV retirement age 60% of the anticipated retirement capital available at retirement age 70 (without future interest) multiplied by the applicable conversion rate.

Entitlement to a surviving spouse's pension expires either at death of the eligible person or if he/she remarries before the age of 45.

### 2.3.2. Surviving partner's pension

The annual surviving partner's pension is 100% of the surviving spouse's pension.

Entitlement to a surviving partner's pension expires at death, unless the eligible person marries before the age of 45.

### 2.3.3. Orphan's pension

The annual orphan's pension equals:

- before reaching retirement age 20% of the statutory disability pension, but shall not be less than 8% of the pensionable salary.
- 20% of the current retirement pension after reaching retirement age.
- on continuing occupational benefits insurance above the regular AHV retirement age 20% of the anticipated retirement capital available at retirement age 70 (without future interest) multiplied by the applicable conversion rate.

The final age at which an individual is still eligible for a pension is 18.

Children shall be eligible for benefits while they go to school and for as long as they have not completed their education or are at least 70% disabled, but not later than their 25th birthday.

### 2.3.4. Lump sum payable at death

The lump sum payable at death equals the accrued retirement assets at the end of the insurance year in which death occurs, reduced by the amount required to finance the surviving partner's pension, but shall be at least 100% of the pensionable salary. In the case of married insured the lump sum payable at death equals the accrued retirement assets at the end of the insurance year in which death occurs, reduced by the amount required to finance the surviving spouse's pension, but shall be at least 100% of the pensionable salary.

If additional benefits are purchased, the resulting retirement assets are paid out in the form of an additional lump sum payable on death, taking account of any reduction in the assets due to early withdrawals of benefits under the promotion of home ownership scheme, payouts of benefits due to a divorce, or partial early withdrawals of retirement benefits.

### 2.3.5. Retirement assets from benefit purchases

Retirement assets resulting from benefit purchases that may have been made for ordinary as well as for early retirement and the provisional retirement pension or capital derived from these amounts are not included when calculating the amount in survivors' benefits.

### 2.3.6. Continuation of occupational benefits insurance above the AHV retirement age

If the occupational benefits insurance is continued above the regular AHV retirement age, no death lump sum in excess of the retirement assets is insured.

## 2.4. Co-ordination with the accident and military insurance

In co-ordination with accident or military insurance, the occupational benefits fund shall provide at most the statutory minimum occupational benefits in the event of an accident.

Entitlement to the waiver of contributions, the surviving partner's pension and the lump sum payable at death is independent of whether disability or death was caused by illness or accident.

## 2.5. Lump sum payment

The insured person may choose to draw part or all of the retirement pension in the form of a lump sum. A corresponding declaration must be submitted before the first pension payment is due.

If additional service years were purchased, the retirement benefits purchased with this sum may be drawn only in the form of a pension during the next three years.

Any claims to pension benefits shall lapse to the extent of the lump-sum payment.

If the insured person is married, the lump-sum withdrawal of the retirement pension, in part or in full, must be approved in writing by the spouse. The insured may appeal to the court if consent cannot be obtained or if it is refused.

A lump-sum payment is possible instead of a surviving spouse's or surviving partner's pension.

## 2.6. Registered partnership

Within the meaning of the Federal Law on the Registration of Partnerships for Same-Sex Couples, registered partnerships and partners have equal status as marriages and spouses.

# 3. Vested benefits

Members leaving the pension scheme before becoming eligible for a pension are entitled to vested benefits. The total vested benefits are equal to the retirement assets accrued. Vested benefits are transferred to the new pension scheme.

## 4. Financing

### 4.1. Total outlay

Total expenses include contributions for retirement benefits, contributions for risk benefits, expense loadings and contributions to the Security Fund.

The risk contributions are composed of the contributions for disability benefits and death benefits. The risk contributions also include the costs for adjusting the statutory disability and survivors' pensions to inflation.

### 4.2. Contributions

The staff pension scheme is collectively financed by insured and employer contributions.

Annual member contributions equal:

before savings process commences:

- 0% (for men) or 0% (for women) of the pensionable salary

once savings process commences:

- 50% of contributions for retirement benefits plus 0% (men) or 0% (women) of the pensionable salary

Contributions are deducted directly from salary by the employer. The level of contributions is indicated on the pension fund certificate.

The employer contributes annually:

- the balance of the total outlay minus contributions by the insured.

If an insured person's salary reduces by not more than half after the person has reached the age of 58 and the person has not withdrawn any partial retirement benefits in advance, the person can request to continue the insurance with the current pensionable salary until he or she reaches ordinary retirement age. Continued insurance of the current pensionable salary assumes that the insured person is fully fit for work.

The insured person is responsible for all contributions to continue coverage for the discontinued salary component.

Contributions for special expenses are defined in the separate cost regulations.



### **4.3. Benefits purchases**

Under the legal provisions, the insured may purchase additional benefits as defined in the regulations with a view to improving pension coverage.

The maximum retirement assets are calculated based on the table in the appendix. The purchase amount comprises the difference between the maximum possible amount and the currently available amount at the time of the purchase.

Insured persons can purchase benefits for early retirement above and beyond the full amount in regulatory benefits.

## **5. Bonus portions from the group insurance contract**

Bonuses allocated to the occupational benefits fund shall be used to increase the insured's retirement assets.

## **6. Entry into force**

The pension scheme comes into force on 01.01.2017 and replaces the existing regulations.

**Appendix: Benefits purchase table**

The maximum amount of retirement assets is calculated based on an interest rate of 2%.

The age at the time of purchase is calculated as the calendar year minus the birth year.

The values shown in the table apply to purchases as of January 1 of the calendar year. In the case of purchases during the year, the maximum amount of retirement assets is calculated based on the number of months since January 1. Before the actual purchase, an updated calculation will be performed based on information in the "Purchase of additional service years/early retirement" form.

Age as years	Maximum retirement assets as % of the significant pensionable salary
25	0.000
26	8.000
27	16.160
28	24.483
29	32.973
30	41.632
31	50.465
32	59.474
33	68.664
34	78.037
35	87.598
36	100.350
37	113.357
38	126.624
39	140.156
40	153.960
41	168.039
42	182.400
43	197.048
44	211.989
45	227.228
46	247.773
47	268.728
48	290.103
49	311.905
50	334.143
51	356.826
52	379.963
53	403.562
54	427.633
55	452.186
56	480.230
57	508.834
58	538.011
59	567.771
60	598.126
61	629.089
62	660.671
63	692.884
64	725.742
65	759.257

**Example: Maximum purchase amount at age 45**

Significant salary	CHF	48'000.00
Maximum retirement assets at age 45: 227.228% of the significant salary	CHF	109'069.45
Less the available retirement assets	CHF	85'074.15
Maximum purchase amount at age 45	CHF	23'995.30