PENSIONSKASSE FÜR KMU

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Departure

Termination of the employment relationship entails departure from the PKG Pension Fund. Departure from the PKG Pension Fund also takes place if the remuneration falls so much that the admission requirements for occupational pension provision are no longer met – normally if the remuneration is less than three quarters of the maximum basic OASI retirement pension.

Termination of the employment relationship after reaching the age of 58 no longer entails departure from the PKG Pension Fund but retirement. In this case the retirement benefits are normally paid out. Entitlement to the termination benefit only exists in this case if the insured person remains in employment and the termination benefit can be transferred to a new pension fund or the insured person supplies proof that he/she is registered as unemployed and is directly eligible for daily allowances from unemployment insurance.

Termination benefit or retirement benefits

Departure before reaching the age of 58

The termination benefit becomes due upon termination of the employment relationship.

Possible uses:

- Transfer to a new pension fund
- Transfer to a vested benefits institution
- Cash payout

The individual points are explained in detail.

Departure after reaching the age of 58

The retirement benefits become due upon termination of the employment relationship.

Exceptions:

- You remain in employment and the termination benefit is transferred to a new pension fund
- You are unemployed and directly eligible for daily allowances from unemployment insurance

Risk cover after departure

According to the Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (OPA), a so-called additional coverage period applies following departure from the PKG Pension Fund.

This means that you are only insured against the risks of death and disability for one month after departure and before admission to a new pension fund.

Where unemployment benefits are drawn, the insurance with the unemployment insurance fund as insurer against the risks of death and disability remains at the OPA minimum (see unemployment information sheet).

Termination benefit

The termination benefit corresponds to the level of the retirement assets at the time of departure from the PKG Pension Fund.

The amount of the termination benefit at the end of the previous year and/or on the last key date is shown on your personal pension certificate. This is intended to give you an idea about the amount of your prospective entitlement on departure.

Persons who have not yet reached the age of 25 in the year of departure are normally only insured against the risks of death and disability and have therefore not yet accumulated any retirement assets that can be paid out.

Administrative procedure

Your employer notifies the PKG Pension Fund of your departure using the Departure notification form.

The PKG Pension Fund subsequently sends you the termination settlement statement and, if the paying office is not yet known, the *Address for payment of my vested benefits* form. You can use this form to notify the PKG Pension Fund subsequently in writing about the use of your termination benefit.

The termination benefit earns interest according to the statutory provisions from the date of your departure until its transfer.

If you are unable to notify us of the use of your termination benefit within six months, we will transfer your termination benefit to the Vested Benefits Foundation of UBS AG in Basel to open a new vested benefits account in your name.

Options for use

New employer in Switzerland

The termination benefit is transferred to your new pension fund as specified by you.

No new employer and younger than 58

- You can have a vested benefits account opened at a bank of your choice

  or

- You can take out a vested benefits policy with an insurance company of your choice

  or

- You can have your termination benefit transferred to the Substitute Occupational Benefit Institution.

Information about protection in the event of death or disability can be found at *treffpunkt-arbeit.ch*.

No new employer and older than 58

You are not entitled to a termination benefit. You will retire and your retirement benefits will be paid out.

If you are entitled to the termination benefit, you must submit unemployment insurance confirmation that you are entitled to daily unemployment allowances together with details of the requested paying office of your vested benefits institution. As long as you are able to supply this proof, you have the same options available as somebody without a new employer who is younger than 58. This means that:

- You can have a vested benefits account opened at a bank of your choice

  or

- You can take out a vested benefits policy with an insurance company of your choice

  or

- You can have your termination benefit transferred to the Substitute Occupational Benefit Institution.

Assumption of self-employment as main source of income

On request you can withdraw your termination benefit in cash as long as the assumption of self-employment as your main source of income took place less than once year ago.

To request a cash payout you must submit the following documents to the PKG Pension Fund:

- Confirmation of self-employment without obligations under the Swiss Occupational Pensions Act (the insured person confirms that they are assuming self-employment as their main source of income and are no longer subject to mandatory occupational benefits)
- Contribution decree or confirmation for self-employed persons of the OASI Compensation Office
- Exact payment address (bank/post office, IBAN, account holder)
- If unmarried:
  up-to-date certificate of civil status (available from the civil register office of your commune of origin)
- If married:
  Written consent from your spouse/registered partner with officially authenticated signature

The PKG Pension Fund is entitled to request further documents to review the legality of a cash payout.

The cash payout will be reported to the Swiss Federal Tax Administration in Berne in line with our legal obligations.

Please contact the pension fund of your professional association if you wish to continue retirement provisioning on a voluntary basis as a self-employed person. An alternative to this is the Substitute Occupational Benefit Institution. Pension cover can be upheld there in accordance with the mandatory OPA benefits. Further information in this regard can be obtained from the Substitute Occupational Benefit Institution, P.O. Box, 8050 Zurich or online at chaeis.net (rubric: LOB Occupational benefits plans/Einzelpersonen (German, French and Italian only).

Leaving Switzerland permanently
New domicile outside EU/EFTA

On request you can withdraw your termination benefit in cash.

The following documents must be submitted to the PKG Pension Fund with the request for a cash payout:

- Confirmation of departure from your Swiss commune of residence
- Current confirmation of residence from the relevant foreign local authority or similar document
- If unmarried:
  up-to-date certificate of civil status (available from the civil register office of your commune of origin)
- If married:

Written consent from your spouse/registered partner with officially authenticated signature

- Paying office for transfer of the assets (please specify IBAN and BIC)

The PKG Pension Fund is entitled to request further documents to review the legality of a cash payout.

The payout is subject to withholding tax. If the taxation of the termination benefit is carried out according to the regular procedure (the tax office calculates the tax), we require corresponding confirmation from the Swiss tax office.

Leaving Switzerland permanently
New domicile within EU/EFTA

Since 1 June 2007, the bilateral agreements have also applied to occupational pensions. This has consequences for cash payouts of termination benefits in the event of leaving Switzerland permanently.

It is only possible to pay out the entire termination benefit in cash if you will no longer be obliged to take out insurance in your new country of residence.

Please take note of the information provided by the LOB Guarantee Fund Liaison Office in this connection. You will find the information sheet of the LOB Guarantee Fund and the corresponding application form to determine social insurance liability at *sfbvg.ch* (liaison office).

If you are no longer obliged to take out insurance and would like your entire termination benefit to be paid out (compulsory and additional voluntary termination benefit), the application form to determine social insurance liability must be fully completed, dated, signed and submitted to **LOB Guarantee Fund, Business Office, P.O. Box 1023, CH-3000 Berne 14** normally three months after leaving Switzerland. The personal data collected will subsequently be sent to the responsible social security authority of the country of residence which will review whether the person is subject to mandatory insurance on a key date (e.g. 90 days after leaving Switzerland).

In order to review your application for a cash payout, PKG Pension Fund requires the following documents:

- Confirmation of departure from your Swiss commune of residence
- Current confirmation of residence from the relevant foreign local authority or similar document
- If unmarried:
  up-to-date certificate of civil status (available from the civil register office of your commune of origin)
- If married:
  Written consent from your spouse/registered partner with officially authenticated signature
- Paying office for transfer of the assets (please specify IBAN and BIC)
- Copy of application form to determine social insurance liability

The PKG Pension Fund is entitled to request further documents to review the legality of a cash payout.

The payout of the entire termination benefit will not take place until confirmation has been received from the LOB Guarantee Fund that you are not obligatorily subject to the social security system in your new country of residence.

Should such proof not be provided, only the additional voluntary share of the termination benefit can be paid out in cash. The obligatory share is to be transferred to a vested benefits institution in Switzerland.

The payout is subject to withholding tax. If the taxation of the termination benefit is carried out according to the regular procedure (the tax office calculates the tax), we require corresponding confirmation from the Swiss tax office.

Additional information

Purchasing contribution years and cash payouts

If purchases were made, the resulting benefits may not be withdrawn from the pension account as a lump sum within the next three years. In case of a lump sum withdrawal, the tax office is also entitled to order a supplementary tax assessment to be conducted on all purchases made within the three-year period.

Unemployment

Please take note of our information sheet on this topic.

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