



PENSIONSKASSE FÜR KMU

# Pension Regulations

Valid from 1 January 2022



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## A. General provisions

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### Art. 1 Organisation of the occupational benefit provision

1. The PKG Pension Fund with registered office in Lucerne (hereinafter known as "PKG") is a foundation for the obligatory and supplementary occupational pension provision of small and medium-sized enterprises and organisations. As a collective organisation, its purpose is to protect the employees of the member enterprises as well as their family members and survivors against the economic consequences of age, death and disability in accordance with the provisions of these Pension Regulations.

2. PKG is a non-profit making organisation. Pursuant to the resolutions of the Board of Trustees, any surpluses are used to improve benefits, reduce the level of contributions and form reserves.

### Art. 2 Pension Regulations

1. Together with the respective pension plan of the member enterprise, the Pension Regulations govern

occupational pension provisioning. They regulate the relationships between PKG and the member enterprises as well as the insured persons and the authorised beneficiaries. For the sake of simplicity, only the masculine form is used as a rule in the Pension Regulations.

2. In addition, the regulations, resolutions and guidelines passed by the Board of Trustees and the Management Committee are also applicable.

### Art. 3 Relationship with the BVG

PKG guarantees the minimum benefits stipulated by the Swiss Occupational Pensions Act (Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG)) in its respective valid version unless these are expressly excluded within the scope of supplementary benefits in the pension plan. PKG is included in the register of occupational benefits schemes and is a member of the security fund.

## B. Membership of the enterprise

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### Art. 4 Membership agreement

The basis for the rights and obligations of the member enterprise is the membership agreement with PKG.

### Art. 5 Pension commission

The member enterprise may appoint a pension commission. Its composition should satisfy the statutory requirements pertaining to parity. The pension commission takes membership-related pension decisions and elects its delegates (Art. 63).

### Art. 6 Pension plan

1. The pension plan stipulates the benefits and contributions agreed with the member enterprise. Rules which deviate from these Regulations shall be valid only if expressly recorded in the pension plan.

2. Pension plans must correspond to the principles of occupational pension provision. In other respects, the options pursuant to Art. 1d BVV 2 shall be available.

### Art. 7 Pension accounts of the member enterprises

Member enterprises may form special reserves to finance contributions and benefit improvements, early retirement and cases of social hardship. PKG maintains separate accounts for these reserves.

### Art. 8 Termination

1. The membership agreement may be dissolved at the earliest following the agreed duration, subject to adherence to the specified period of notice to the end of the calendar year. Termination by the member enterprise shall be subject to the consent of the employees (or the employee representatives, if any, in accordance with Art. 10(d) of the Participation Act).

2. The PKG may dissolve the membership agreement without adherence to further notice periods if the employer grossly breaches its obligations within the framework of occupational pension provisioning. In other respects, the provisions of the regulations pertaining to partial liquidation as well as the cost regulations shall apply.

## C. Inclusion and departure of insured persons

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### Art. 9 Admission requirements

1. Persons are admitted to PKG who:
  - a. are employees of a member enterprise,
  - b. have reached the age of 17,
  - c. will draw a relevant annual salary (Art. 20) that exceeds the obligatory entry threshold pursuant to BVG,
  - d. have concluded a contract of employment which is unlimited or limited to more than three months,
  - e. are less than 70 percent disabled and whose benefit cover is not maintained at the pension scheme which has an obligation to pay benefits pursuant to Art. 26a BVG.
2. Full-time or part-time employees whose relevant annual salary does not reach the obligatory entry threshold pursuant to BVG or employees pursuant to Art. 1j BVV 2 may be voluntarily insured if this is agreed in the pension plan with the member enterprise. Art. 1j (Para. 3 and 4) BVV 2 applies in all other respects.

### Art. 10 Self-employed persons

Self-employed persons may be included within the framework of the regulatory provisions as long as membership is concluded together with their staff. However, benefit cover shall commence only upon written confirmation of definitive inclusion by PKG.

### Art. 11 Registration and inclusion

1. Inclusion shall be established at the time of the commencement of the employment relationship or when entitlement to a salary exists for the first time, but in any case at the time when the employee is on the way to work and the inclusion conditions are met in line with Art. 9. If these conditions are fulfilled only at a later date, this individual must be reported to PKG at this later date.
2. If a fixed-term contract of employment is extended without interruption beyond the duration of three months, inclusion shall take effect at the time of the agreement of the extension. Furthermore, inclusion shall take place if several successive positions of employment with the same employer continue for longer than three months and no interval between them is longer than three months. In this case, the

employee is only insured from the beginning of the fourth working month in total; however, if it is agreed prior to the commencement of the first position that the period of employment will exceed three months, the employee will be insured as of the commencement of the employment relationship.

3. The person who is to be insured must be registered with PKG at the latest 30 days following the commencement of the insurance obligation. The corresponding registration form must be completed truthfully and signed by the employee and the insured person.

4. The actuarial date of inclusion constitutes the first day of any month. If the employment relationship starts from the first up to and including the 15th of the month, the first day of the current month applies. If the employment relationship starts from the 16th until the end of the month, the first day of the following month constitutes the date of inclusion.

5. In accordance with Art. 3 and 4 FZG, the insured person is obliged to transfer the termination benefit from the previous pension scheme and any vested benefits to PKG upon admission. PKG can refuse acceptance of any subsequent transfer of vested benefits.

### Art. 12 Pension types

1. Risk provisioning against the consequences of death and disability shall be effective from the date of inclusion, although not before 1 January after the insured person turns 17, until departure, ordinary retirement age or early retirement.
2. Insured persons who have reached the age of 24 shall be guaranteed a retirement pension from the following 1 January until their departure or until they reach ordinary retirement age or take early or deferred retirement.
3. Recipients of retirement and disability pensions will continue to receive survivors' benefits.

### Art. 13 Departure

1. Departure from PKG shall take place in the event of termination of the employment relationship or

## C. Inclusion and departure of insured persons

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the lapsing of the inclusion conditions as long as no pensionable event has taken place. Continuation of insurance cover in accordance with Art. 44 remains reserved. In the event of partial disability, the departure shall be in accordance with the extent of the remaining capacity to pursue gainful employment.

2. The employer must report the departure to PKG in writing 30 days after the dissolution of the occupational benefits relationship at the latest.

3. The actuarial date of departure constitutes the last day of any month. If the employment relationship ends from the first up to and including the 15th of the month, the last day of the previous month applies, while if the employment relationship ends from the 16th until the end of the month, the last day of the current month constitutes the date of departure.

4. Risk provisioning shall remain in force following termination of the occupational benefits relationship until a new occupational benefits relationship is entered into, although for no longer than one month. Supplementary cover shall be waived in the event of retirement.

### Art. 14 Duty to provide information

Employees, insured persons and authorised beneficiaries are obliged to provide all necessary information and to supply the required documentary substantiation. Persons who fail to comply with these obligations shall be liable for any resulting damages.

### Art. 15 Health certificate

1. Insured persons must upon request provide information about their state of health at the time of inclusion or in the event of benefit improvements. PKG, or any possible reinsurer, may require that a medical examiner conducts checks, and may impose reservations for the risks of death and disability for limited periods of time. If, during the reservation period of no more than five years, an event (death or incapacity for work leading to subsequent disability or death) occurs, the cause of which is subject to a

reservation, the benefits to be paid by PKG (including prospective survivors' benefits) will be reduced for life to the minimum benefits in accordance with the BVG.

2. Cover for benefits in accordance with the pension plan shall commence only upon written confirmation of definitive inclusion by PKG. Benefits in accordance with the BVG are covered.

3. If the risk assessment questions are answered wrongly or incompletely, PKG may terminate risk provisioning for the supplementary portion, and may limit its disability and survivors' benefits to the minimum BVG benefits for life. Any benefits paid in excess shall be reclaimed. The termination entitlement shall expire three months after PKG has received reliable knowledge of the facts which provide justified grounds to conclude that the duty to provide information has been breached.

### Art. 16 Pension certificate

Each year, insured persons shall be sent a personal pension certificate detailing the insured salary, contributions, benefit entitlements and termination benefit.

### Art. 17 General information

PKG shall each year provide information in an appropriate manner about its organisation and funding as well as about the members of the Board of Trustees.

### Art. 18 Reporting obligation

Authorised beneficiaries are obliged to inform PKG without delay and without being requested to do so of all changes which could have an influence on their benefits.

### Art. 19 Proof of entitlement to benefits

At the request of PKG, authorised beneficiaries must provide all documents required to substantiate their entitlement to benefits.



## D. Calculation principles for contributions and benefits

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### Art. 20 Salary definition

#### Relevant salary

1. The relevant salary to be reported corresponds to the probable AHV annual salary at the member enterprise, calculated in respect of the entire year. Salaries earned by insured persons working for one or more other companies at the same time can only be insured if the pension plan so allows. Occasional salary components such as overtime compensation, long-service gifts, supplements for Sunday and holiday work, shift allowances and the like are not insured. The relevant salary can be determined in the pension plan in deviation of the above.

2. In the event of fluctuating income, the relevant annual salary corresponds to the last known AHV annual salary or the average AHV annual salary which is customary for the sector.

3. If the relevant annual salary falls temporarily due to illness, accident, maternity, paternity, short-time working or for similar reasons, the previous annual salary shall remain relevant during the period in which the employer is obliged to continue making salary payments, maternity leave, paternity leave or caregiver leave pursuant to Art 8 Para. 3 BVG, unless the insured person requests the reduction of the relevant salary.

#### Insured annual salary

4. The insured annual salary is described in the pension plan and is considered the basis of calculation for

- the risk provisioning benefits prior to retirement,
- the retirement assets,
- the contributions.

#### Salary of less than one year

5. If a person is not insured throughout the entire calendar year, the relevant salary is projected in respect to a whole year.

### Art. 21 Unpaid leave

1. During unpaid leave, retirement provisioning continues for the active insured person and the retirement assets continue to earn interest.

2. At the request of the person and with the consent of the member enterprise the following may also be continued voluntarily:

- the risk provisioning or
- the retirement provisioning with continued accumulation of retirement credits, or
- the risk and retirement provisioning with continued accumulation of retirement credits for a maximum of twelve months, provided the employment relationship is subsequently continued. Benefits will be collected by the member enterprise.

### Art. 22 Salary reports

Salaries shall be recorded at the time of inclusion and on each 1 January, and the benefits and contributions shall then be recalculated accordingly. The annual salary report may also be submitted at a different point in time on request. Salary changes of more than ten per cent may also be reported and taken into account during the course of the year.

### Art. 23 Relevant age

1. When it comes to calculating the benefits and contributions, the age is the difference between the respective calendar year and the year of birth.

2. Ordinary retirement age shall be determined in accordance with the rules of the BVG in the absence of any other agreements in the pension plan.

## E. Disability benefits

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### Art. 24 Determination of disability

1. Disability is established if an insured person is disabled within the meaning of Swiss Invalidity Insurance (IV). Cover is provided if the insured characteristic existed at the time of commencement of the incapacity for work the cause of which led to disability.

2. The degree of disability is determined in accordance with the income reduction caused by the disability. It is essentially determined pursuant to the rulings of Swiss Invalidity Insurance and if necessary the rulings of the accident insurer.

### Art. 25 Disability pension

1. Insured persons who become fully or partially disabled before retirement are entitled to a disability pension following the end of the entitlement to salary or substitute salary payments of any nature whatsoever amounting to at least 80 percent of the former earnings and which are at least half financed by the employer, as well as following the expiry of the waiting period agreed in the pension plan. The entitlement exists during the course of the disability but only until ordinary retirement age is reached.

2. An insured person who is less than 40 percent disabled is not entitled to any benefits. If the degree of disability is 70 percent or more, pension entitlement is 100 per cent, i.e. he is entitled to a full disability pension. If it is 50 percent to 69 percent, pension entitlement is equal to the degree of disability. If it is less than 50 percent, pension entitlement is equal to 25 percent plus 2.5 percentage points for each percentage point that the degree of disability exceeds 40 percent. (Example: if he is 45 per cent disabled, pension entitlement is 37.5 per cent (= 25 per cent + 2.5 per cent x (45 – 40)).

3. The calculated pension and therefore also pension entitlement is increased, reduced or cancelled if the degree of disability in the occupational pension scheme changes by at least 5 percentage points as a result of a revision to disability insurance (IV).

### Art. 26 Disabled person's child's pension

Persons who draw disability pensions are entitled to a disabled person's child's pension. The entitlement, duration and amount thereof shall be correspondingly based on the disability and orphan's pension provisions.

### Art. 27 Continued provisioning and contribution waiver

#### In case of inability to work

1. Following the expiry of the waiting period agreed in the pension plan, insured persons who are unable to pursue gainful employment are entitled to the contribution-free continuation of risk and retirement provisioning. The contribution waiver is geared to the degree of inability to work based on the insured salary before becoming unable to work and the relevant pension plan. The contribution waiver is granted for a maximum of 24 months. The entitlement exists over and above this if health, accident or military insurance continues to pay daily allowances. Once a negative IV decision has been made (date of decree), no further contribution waivers will be granted. The entitlement ends at the latest upon reaching ordinary retirement age. During the waiting period, the contributions shall be paid by the member enterprise as long as the employment relationship has not been dissolved. The contribution waiver for retirement provisioning also remains insured during periods of unpaid leave with continued risk provisioning. The contribution waiver is billed for entire months.

#### In case of disability

2. Disabled insured persons are entitled to continue retirement provisioning without having to pay any contributions if PKG is responsible for disability pension benefits. The entitlement ends once the disability no longer exists, but no later than on reaching ordinary retirement age. The amount of the contribution waiver granted to disabled persons is calculated in accordance with the pension gradation pursuant to pension entitlement and based on the insured salary before becoming unable to work and the relevant pension plan. The provisions of Art. 26a BVG apply mutatis mutandis.

## F. Survivors' benefits before retirement or before reaching ordinary retirement age

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### Art. 28 Spouses and registered partners

1. Surviving spouses or partners within the meaning of the Federal Act on the Registered Partnership between Same-Sex Couples (PartG) are entitled to a spouse's pension following the death of the insured person or person entitled to a pension.
2. If the available retirement assets exceed the cash value of the spouse's pension, the difference is paid out to the person entitled to the spouse's pension.
3. The purchases contained in the retirement assets, including the repayment of amounts transferred as a result of divorce and any credit balance to finance early retirement (Art. 61, Para. 3) are paid out in addition to the spouse's pension, taking into account advance withdrawals made and semi-retirement. This rule also applies to the voluntary purchase amounts, repayment of amounts transferred as a result of divorce and amounts to finance early retirement which were paid into a previous pension scheme. Proof that the payments have been made must be supplied by the persons who are entitled to make the claim.
4. Any difference between the available retirement assets and the cash value of the spouse's pension (Para. 2) shall not be cumulated with the entitlement to the purchases (Para. 3) contained in the retirement assets and the greater of the two amounts shall be paid.
5. In place of the spouse's pension, the available retirement assets may also be drawn. In this case, no benefits pursuant to Para. 2 and 3 shall be due.
6. Entitlement to a spouse's pension shall be established upon the death of the insured person or person entitled to a pension but not before continued payment of the full salary or substitute salary has ended, or upon expiry of the entitlement to a disability pension. Entitlement to a spouse's pension shall expire at the end of the month in which the person who is entitled to the benefit dies, marries, has a new partnership registered, or during which a capital settlement becomes due (cf. Art. 30).

7. This entitlement can be established up until retirement but not after ordinary retirement age has been reached. Entitlement to a spouse's pension for those who draw retirement pensions or persons who have exceeded ordinary retirement age is defined in Art. 36.

8. If the cash value of the spouse's pension exceeds the retirement assets, and if termination benefits or vested assets (Art. 4 FZG) were not transferred to PKG, the spouse's pension shall be limited to no more than the amount of the retirement assets in accordance with actuarial principles.

9. The entitlement of the divorced spouse is determined by the provisions of Art. 20 BVV 2 (cf. Art. 57, Para. 5, lit. c) and the transitional provision of the amendment of 10 June 2016.

### Art. 29 Life partners

1. Life partners, including those of the same gender, are entitled to benefits pursuant to Art. 28 if at the time of death
  - a. a written partnership agreement can be presented or a written beneficiary declaration was submitted during the lifetime of the deceased, and
  - b. both were unmarried, did not live in a registered partnership, there were no obstacles to marriage pursuant to Art. 94–96 ZGB or no obstacles to registration pursuant to Art. 3 and 4 PartG, and
  - c. they do not draw any survivors' benefits from occupational pension provisioning, and
  - d. the surviving life partner is required to support one or more joint children or the partnership existed without interruption in the last five years prior to death.
2. Entitlement to a life partner's pension can be established upon the death of the insured person or person entitled to a pension but not before continued payment of the full salary or substitute salary has ended, or upon expiry of the entitlement to a disability pension. It can be established up until retirement but not after ordinary retirement age has been reached.

## F. Survivors' benefits before retirement or before reaching ordinary retirement age

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3. If the available retirement assets exceed the cash value of the life partner's pension, the difference shall be paid out to the person who is entitled to the pension.

4. The purchases contained in the retirement assets, including the repayment of amounts transferred as a result of divorce and any credit balance to finance early retirement (Art. 61, Para. 3) are paid out in addition to the life partner's pension, taking into account advance withdrawals made and semi-retirement. This rule also applies to the voluntary purchase amounts, repayment of amounts transferred as a result of divorce and amounts to finance early retirement which were paid into a previous pension scheme. Proof that the payments have been made must be supplied by the persons who are entitled to make the claim.

5. Any difference between the available retirement assets and the cash value of the life partner's pension (Para. 3) shall not be cumulated with the entitlement to the purchases (Para. 4) contained in the retirement assets and the greater of the two amounts shall be paid.

6. In place of the life partner's pension, the available retirement assets may also be drawn. In this case, no benefits pursuant to Para. 3 and 4 shall be due.

7. If the cash value of the life partner's pension exceeds the retirement assets, and if termination benefits or vested assets (Art. 4 FZG) were not transferred to PKG, the life partner's pension shall be limited to no more than the amount of the retirement assets in accordance with actuarial principles.

8. Entitlement to a life partner's pension for those who draw retirement pensions or persons who have exceeded ordinary retirement age is defined in Art. 36.

9. Entitlement to a life partner's pension shall expire at the end of the month in which the person who is entitled to the benefit dies, marries, has a new partnership registered, or during which a capital settlement becomes due (cf. Art. 30).

### Art. 30 Lump sum settlement

In the event of marriage or registration of a new partnership before reaching ordinary retirement age, the person drawing a spouse's or life partner's pension shall receive a lump sum settlement amounting to three annual pensions. Following the lump sum settlement, all further benefit claims vis-à-vis PKG shall lapse.

### Art. 31 Orphan's pension

1. The children of the deceased person shall be entitled to orphans' pensions, foster children only if the deceased person had an obligation to support them. The orphan's pension shall be paid out until the respective child has reached the age of 18. If children are in education or training or are themselves at least 70 per cent disabled, their pension entitlement shall continue until completion of their education or training or until they become able to pursue gainful employment, but no longer than after reaching the age of 25.

2. In the event that both parents have died, the orphan's pension shall amount to 200 percent of the insured orphan's pension (double orphan's pension).

### Art. 32 Lump sum death benefit

1. If no entitlement to a spouse's or life partner's pension arises following the death of an insured person, a lump sum payable at death shall become due in accordance with the following order of precedence irrespective of inheritance law:

- a. to the person who is required to support one or more joint children,
- b. to natural persons who were supported to a considerable extent by the insured person if a written beneficiary declaration was submitted during the lifetime of the deceased,
- c. to the children,
- d. to the parents,
- e. to the siblings,
- f. to the remaining statutory heirs, excluding the local community.

2. The preceding group excludes the following groups from entitlement to benefits. The allocation shall be performed on a per capita basis if several persons are entitled to benefits within a group. In-

## F. Survivors' benefits before retirement or before reaching ordinary retirement age

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insured persons can stipulate a different allocation per group or alter or merge the order of groups d and e by submitting a written declaration or testamentary disposition referring unmistakably to occupational pension provision to PKG.

3. The lump sum payable to beneficiaries at death pursuant to lit. a-e corresponds to the retirement assets (without interest as of the commencement of the contribution waiver) and any credit balance for early retirement acquired during the active insurance period pursuant to Art. 61, Para. 3.

4. For the heirs pursuant to lit. f the lump sum payable at death corresponds to the contributions paid in to PKG during the active insurance period by the active insured person and the member enterprise or half of the lump sum payable at death pursuant to Para. 3.

5. If a survivors' pension is paid to a divorced spouse, the lump sum payable at death is reduced by the cash value of this pension.

6. Entitlement to the lump sum payable at death can be established up to retirement.

7. Following its payment, all further benefit claims vis-à-vis PKG shall lapse.

### Art. 33 Additional lump sums payable at death

Additional lump sums payable at death may be insured by separate agreement in the pension plan. They are paid to spouses, registered partners or life partners who meet the requirements pursuant to Art. 29. If no payment is made to a spouse, registered partner or life partner, it shall be paid according to the order of precedence specified under Art. 32. This entitlement shall remain in place until retirement but not after ordinary retirement age has been reached.

### Art. 34 Forfeiture deadline

Claims pursuant to Art. 29, 32 and 33 must be asserted in writing vis-à-vis PKG within three months following the death of the insured person, together with proof of entitlement to the benefits, as otherwise entitlement to survivors' benefits shall expire.

## G. Retirement benefits

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### Art. 35 Retirement pension

1. Once retirement age has been reached, both insured persons and persons who draw disability pensions are entitled to a retirement pension until the end of the month following their death.

2. The annual retirement pension is calculated on the basis of the retirement assets (Art. 39) multiplied by the pension conversion rate. The pension conversion rates are stipulated by the Board of Trustees and are shown in the Appendix to these Regulations. Unless expressly excluded within the scope of supplementary benefits in the pension plan, the retirement pension corresponds at least to the minimum provisions of the BVG.

3. The options regarding the prospective survivors' benefits for persons drawing a retirement pension are set out in Appendix II to these Pension Regulations.

### Art. 36 Spouse's and life partner's pensions following retirement or after reaching ordinary retirement age and in the case of deferred retirement

1. A surviving spouse or registered partner is entitled to a spouse's pension after the death of the person drawing a retirement pension or the insured person during deferred retirement.

2. A surviving life partner of a retirement pensioner, including one of the same sex, has the same entitlement to a pension as the surviving spouse or registered partner pursuant to Para. 1 if at the time of death

- a. a written partnership agreement can be presented or a written beneficiary declaration was submitted during the lifetime of the deceased, and
- b. both were unmarried, did not live in a registered partnership, there were no obstacles to marriage pursuant to Art. 94–96 ZGB or no

## G. Retirement benefits

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obstacles to registration pursuant to Art. 3 and 4 PartG, and

- c. they do not draw any survivors' benefits from occupational pension provisioning, and
- d. the surviving life partner is required to support one or more joint children or the partnership existed without interruption in the last five years prior to death.

3. If the available retirement assets in the event of death during deferred retirement exceed the cash value of the spouse's or life partner's pension, the difference shall be paid out to the person who is entitled to the pension.

4. The purchases contained in the retirement assets, including the repayment of amounts transferred as a result of divorce and any credit balance to finance early retirement (Art. 61, Para. 3) are paid out in addition to the spouse's or life partner's pension in the event of death during deferred retirement. This rule also applies to the voluntary purchase amounts, repayment of amounts transferred as a result of divorce and amounts to finance early retirement which were paid into a previous pension scheme. Proof that the payments have been made must be supplied by the persons who are entitled to make the claim.

5. Any difference between the available retirement assets and the cash value of the spouse's or life partner's pension (Para. 3) shall not be cumulated with the entitlement to the purchases (Para. 4) contained in the retirement assets and the greater of the two amounts shall be paid.

6. In the case of deferred retirement or in cases in which the retirement benefit already due had not yet been paid out at the time of death, the available retirement assets may also be drawn in place of the spouse's pension in the event of death. In this case, no benefits pursuant to Para. 3 and 4 shall be due.

7. The amount of the spouse's pension is 60 percent of the retirement pension. If the insured person has selected a different option in accordance with Appendix II, Art. 2, this option shall apply. In the case of deferred retirement, the amount of the relevant retirement pension is calculated on the basis of the retirement pension to which the insured person

would have been entitled at the time of their death. The relevant criteria are the amount of retirement assets and the conversion rate at the time of death.

8. Entitlement to a spouse's pension expires at the end of the month in which the person entitled to the benefit dies, marries or has a new partnership registered.

9. If the marriage, registered partnership or life partnership begins after ordinary retirement age, the spouse's or life partner's retirement pension is reduced, taking the minimum BVG entitlement into account, as follows:

- a. 80 per cent up to the age of 66,
- b. 60 per cent up to the age of 67,
- c. 40 per cent up to the age of 68,
- d. 20 per cent up to the age of 69,
- e. 0 per cent from the age of 69.

### Art. 37 Pensioner's child benefit

Persons who draw retirement pensions are entitled to a pensioner's child benefit amounting to 20 per cent of the retirement pension. Entitlement to this benefit and the duration thereof shall be correspondingly based upon the provisions pertaining to the retirement pension and orphan's pension.

### Art. 38 Retirement capital settlement

1. Insured persons can draw some or all of the retirement assets instead of the retirement pension on written request. All further benefit claims vis-à-vis PKG will lapse in accordance with the scope of the retirement capital settlement.

2. Insured persons who have been remained voluntarily insured for more than two years pursuant to Art. 44 may only draw the retirement benefits as an annuity.

3. The application for a retirement capital settlement in respect of some or all of the retirement benefits must be submitted to PKG in writing prior to retirement and no later than the first pension payment and requires the consent of the spouse or registered partner. To verify the consent of the spouse or registered partner, the PKG requires the officially certified signature of the spouse or registered partner.

### Art. 39 Retirement assets

1. The retirement assets correspond to the balance of the individual retirement account. The following sums are credited to this:
  - a. At the time of inclusion
    - termination benefits contributed by the insured person and
    - voluntary deposits;
  - b. At the end of the year, in the event of a provisioning event, or as at the date of termination
    - regulatory retirement credits: the amount of these is defined in the pension plan but corresponds at least to the retirement credits pursuant to the BVG;
    - the interest on the retirement assets defined by the Board of Trustees;
    - the interest on the contributed termination benefits and deposits defined by the Board of Trustees;
  - c. Upon resolution of the Board of Trustees
    - Surplus payments and other grants.
2. When determining the level of interest, the Board of Trustees shall base its decision on the interest rate pursuant to the BVG and the financial situation of PKG. It may
  - a. stipulate additional interest for the active insured persons, without taking into account preceding departures, or
  - b. stipulate zero interest or minimum interest in accordance with the imputation principle.

### Art. 40 Continued insurance cover for the previous insured earnings pursuant to Art. 33A BVG

Insured persons whose salary is reduced by no more than half after the age of 58 may maintain the pension provisioning for the previous insured earnings up until ordinary retirement age. The financing of the contributions must be separately arranged in the pension plan.

### Art. 41 Flexible retirement

1. Upon request, insured persons may arrange to take full or partial retirement from the age of 58 and up to the age of 70. A reduction of the original workload by at least 20 per cent entitles the insured person to draw the corresponding retirement benefit. The scope and timing of the reduction must conform with the drawing of the retirement benefit

in question. If the retirement benefit is drawn as a lump sum pursuant to Art. 38, two retirement steps are possible. The foregoing is without prejudice to statutory or official regulations to the contrary.

2. In justified cases, different arrangements may be made within the statutory framework. In the event of early or deferred retirement, the conversion rates stipulated by the Board of Trustees shall apply.

3. The pension provisioning can be continued after ordinary retirement age as long as gainful employment continues and the inclusion conditions according to the valid pension plan are fulfilled. Said continuation can take place until gainful employment ceases but for no longer than the age of 70. Interest will be paid on the retirement assets until said continuation ceases. On request, the retirement credits can be allowed to accumulate further during said continuation.

4. If an insured person dies during the continued insurance cover period pursuant to Para. 3, he shall be deemed to be a pension beneficiary from the first day of the month following the date of death when setting the survivors' benefits; Art. 36 applies.

5. During the retirement benefit deferment period pursuant to Para. 3, entitlement to a lump sum payable at death pursuant to Art. 32 arises. However, there is no longer any entitlement to disability benefits and additional lump sums payable at death pursuant to Art. 33.

### Art. 42 Financing early retirement

Early retirement and bridging benefits may be financed in advance in accordance with actuarial principles. Early retirement and bridging benefits must be arranged separately in the pension plan.

### Art. 43 Voluntary flexible retirement with external bridging pension

1. Insured persons who withdraw from the pension scheme because they are drawing a bridging pension for flexible retirement from a corresponding organisation (for example, Stiftung FAR) may remain with PKG for retirement provisioning until ordinary retirement age. PKG will credit the retirement credits of the organisation in question to the insured person.

## G. Retirement benefits

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2. Continued insurance cover is only possible for as long as bridging benefits are being drawn. During continued insurance cover, the payment of retirement benefits and lump sum benefits pursuant to Art. 46, 47 and 48 is not possible.

3. Disability and death insurance lapses for the duration of continued insurance cover. In the event of death, the available retirement assets pursuant to Art. 32 become due for payment.

### **Art. 44 Continuation of insurance cover in accordance with Art. 47a BVG**

1. An insured person who after their 55th birthday leaves regulatory insurance because their employment relationship was terminated by their employer may request that their insurance cover be continued. He must submit this request in writing to PKG within 90 days of termination of the employment relationship. If he requests continued insurance, he must simultaneously decide whether or not to continue building up the retirement assets through retirement credits. This decision can be amended annually on 1 January. The insured person must notify PKG of any such amendment in writing by 31 December of the previous year.

2. During continued insurance, the termination benefits remain with PKG, continue to earn interest and may continue to be augmented through retirement credits. Protection against the risks of disability and death is upheld. With the exception of the special provisions contained in this Article, the insured person remains on equal terms with equal rights to the persons insured within the same collective on the basis of an existing employment relationship during continued insurance.

3. The foundation for the insured salary, which is the basis for contributions and benefits during the period of continued insurance, is the relevant annual salary reported immediately before the continuation of insurance cover pursuant to Art. 20, Para. 1-3. At the request of the insured person, a lower relevant annual salary can be selected for risk and retirement provisioning or for retirement provisioning only than that reported immediately before the continuation of insurance cover. It is possible to adjust the relevant annual salary at the start of continued insurance cover and then as of 1 January every year. The insured

person must notify PKG of any such amendment in writing by 31 December of the previous year. If the reduction of the relevant annual salary amounts to at least 20 per cent and the insured person has reached the age of 58, the insured person can take partial retirement.

4. The insured person is required to pay PKG the entire regulatory risk contributions (i.e. his share and that of the employer). If he decides to continue augmenting the retirement assets, he must also pay the entire regulatory savings contributions (employee and employer share). Should restructuring contributions become due, the insured person is only required to bear the employee share. Contributions are collected quarterly by PKG directly from the insured person.

5. If the insured person joins a new pension institution, his termination benefit will be transferred to the new institution to the extent possible for purchasing full benefits under the regulations. If no more than two thirds of the termination benefit are required for such purchase and the insured person is unable or does not wish to transfer the rest, the remaining termination benefit shall remain with PKG and continued insurance cover will be continued at a reduced scope. The relevant insured salary for continued insurance cover will be reduced by the proportion of the termination benefit transferred to the total termination benefit.

6. Continued insurance cover ends:

- a. if the risk of death or disability occurs (in the case of partial disability continued insurance cover is continued for the active portion),
- b. upon reaching ordinary retirement age in accordance with the pension plan,
- c. when joining a new pension institution if more than two thirds of the termination benefit are transferred to the new pension institution; if it is not possible for the entire termination benefit to be transferred to the new pension institution, the rest is used at PKG after reaching the age of 58 to fund early retirement; alternatively, the insured person may request payment of the termination benefit, provided that the requirements of Art. 2 Para. 1bis FZG are met; prior to reaching the age of 58 the termination benefit becomes due.



## G. Retirement benefits

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7. Continued insurance cover can be terminated at any time by the insured person to the end of a month. In case of outstanding contributions of 40 days or more, PKG will retroactively terminate the continued insurance cover from the date until which the contributions owed were paid.

8. If continued insurance cover ends after reaching the age of 58, the retirement benefits become due, except where the entire termination benefit is transferred to a new pension or vested benefits fund.

9. If continued insurance cover has lasted for more than two years, the retirement benefits must be drawn in the form of an annuity and the termination benefit can no longer be withdrawn in advance for home ownership or pledged.

## H. Termination benefit

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### Art. 45 Termination benefit

1. Up until ordinary retirement age, insured persons are entitled to a termination benefit equivalent to the acquired retirement assets if the occupational benefits relationship is dissolved before ordinary retirement age is reached and no provisioning event has yet occurred.

2. The termination benefit corresponds at least to the BVG retirement assets or the entitlements pursuant to Art. 15 and 17 FZG (Vested Benefits Insurance).

### Art. 46 Appropriation of termination benefit

The termination benefit must continue to be used for the provisioning of the departing insured person, and shall be remitted as follows:

- a. as a deposit to the pension scheme of the new employer, or
- b. as a deposit to a vested benefits account, or
- c. to take out a vested benefits policy.

### Art. 47 Cash payout

Subject to the written consent of their spouses or registered partners, insured persons may request a cash payout if

- a. they definitively emigrate from Switzerland (Art. 25f FZG remains reserved),
- b. they take up a self-employed gainful activity and are no longer subject to obligatory provisioning, or
- c. the termination benefit amounts to less than their own annual contribution.

### Art. 48 Promotion of home ownership

1. Up to three years prior to ordinary retirement age, insured persons may, for the purpose of financing residential property for their own use,

- a. request an advance withdrawal of their acquired retirement assets, or
- b. pledge the entitlement to vested benefits or pension benefits.

2. The advance withdrawal or pledging may not exceed the sum of the respective vested benefits up to the age of 50. Older insured persons may withdraw in advance or pledge a sum amounting to up to one half of the vested benefits or the sum to which they would have been entitled at the age of 50. The further requirements and rights and obligations are set out in the leaflet entitled "Promotion of Home Ownership using Occupational Pension Benefits".

3. PKG shall inform the insured person about the consequences of the advance withdrawal or pledging.

4. Insured persons who have remained voluntarily insured for more than two years pursuant to Art. 44 may neither withdraw the termination benefit in advance to finance home ownership nor pledge it.

### Art. 49 Divorce

1. The division of pension rights in the event of divorce is governed by the relevant statutory provisions as well as the corresponding regulatory provisions.

2. If a portion of the insured person's termination benefit is to be transferred to a divorced spouse as part of a divorce, the insured person's retirement assets will be reduced accordingly. The portion to be transferred will be deducted from the other pension assets in proportion to the retirement assets pursuant to Art. 15 BVG.

## H. Termination benefit

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3. An analogous procedure is followed if PKG is required to pay the former spouse a share of the pension (if applicable as a lump sum).
4. If an insured person receives a termination benefit or a pension share (if applicable as a lump sum) as part of a divorce, this amount will be credited to the compulsory and other retirement assets held at PKG in the same proportion that it was deducted from the pension fund of the divorced spouse who is required to pay it.
5. If, as a result of the divorce of a person who receives a temporary disability pension before ordinary retirement age, a portion of the termination benefit is transferred to the divorced spouse, this shall result in a reduction of the retirement assets pursuant to Para. 2 and therefore to lower retirement benefits. By contrast, the disability pension and any disabled person's child's pensions (including future pensions) in place when divorce proceedings are initiated shall remain unchanged. If the retirement assets acquired upon commencement of the disability pension are included in the calculation of the disability pension in accordance with the regulations, the disability pension shall be reduced in accordance with PKG's actuarial principles up to the maximum possible amount pursuant to Art. 19, Para. 2 and 3 BVV 2 (excluding disabled person's child's pensions in place when divorce proceedings are initiated).
6. If, as a result of the divorce of a person who receives a disability pension with lifelong entitlement to disability benefits, a portion of the termination benefit is transferred to the divorced spouse, this shall result in a reduction of the retirement assets pursuant to Para. 2 as well as a reduction of the disability pension in accordance with PKG's actuarial principles up to the maximum possible amount pursuant to Art. 19, Para. 2 and 3 BVV 2 (excluding disabled person's child's pensions in place when divorce proceedings are initiated). If, as a result of the divorce of a person who receives a retirement or disability pension after ordinary retirement age, a portion of the pension is awarded to the divorced spouse, the insured person's pension benefits shall be reduced accordingly. Entitlement to a disabled person's child benefit or pensioner's child benefit in place when divorce proceedings are initiated shall remain unchanged. Any entitlement to survivor's benefits shall be calculated on the basis of the pension benefits paid after the division of pension rights, with the exception of an orphan's pension that replaces a child's pension not affected by the division of pension rights.
7. The share of the pension awarded to the entitled divorced spouse shall not result in any further claims for benefits against PKG. The annual pension payments to the pension fund of the entitled divorced spouse made by 15 December of the relevant year shall accrue interest at half the interest rate specified in the Regulations. PKG, as the pension fund of the divorced spouse required to make the payment, and the divorced spouse entitled to receive payment may agree to a lump-sum transfer in place of a pension transfer. If the divorced spouse entitled to receive a pension changes his pension or vested benefit fund, he must inform PKG of this by no later than 15 November of the relevant year.
8. If the divorced spouse entitled to receive a pension is entitled to receive a full disability pension, or if he has reached the minimum age for early retirement, he may request payment of a lifelong annuity. If he has reached ordinary retirement age, he shall be paid a lifelong annuity. He may request that this annuity be transferred to his pension fund if he is still able to make purchases to the fund in accordance with its regulations.
9. If a person retires or a person receiving a disability pension reaches ordinary retirement age during the divorce proceedings, PKG shall reduce the portion of the termination benefit to be transferred and the annuity by the maximum possible amount in accordance with Art. 19g VBO.
10. The insured person may repurchase benefits at PKG as part of the transfer of the termination benefit. The repurchased contributions will be allocated in the same proportion as the deduction pursuant to Para. 2. No repurchase is possible within the scope of an existing disability.

### Art. 50 Reductions

Advance withdrawals, pledges and divorce law claims reduce the vested benefits and pension benefits to the corresponding extent.

## I. Common provisions and limits

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### Art. 51 Establishment of claims to benefits

1. Subject to the provisions pertaining to the promotion of home ownership, the entitlements to vested benefits or pension benefits may neither be assigned nor pledged before they fall due.

2. Entitlement to retirement and survivors' benefits shall commence on the first day of the month following the end of the employment relationship or death. In the case of disability benefits, entitlement shall commence on the first day of the month following expiry of the waiting period agreed in the pension plan.

3. If entitlement to a spouse's or partner's pension arises, only one spouse's or partner's pension may be paid in each case per death.

4. Risk benefits shall, at all events, fall due at the earliest following the expiry of continued salary payment or substitute salary benefits (Art. 25 Para. 1, Art. 28 Para. 6 and Art. 29 Para. 2) or upon expiry of the entitlement to a disability pension.

5. In the event of late payment, the default interest rate is equal to the BVG minimum interest rate. In determining the commencement of default interest in respect of pension payments, Art. 105 Para. 1 SCO (Swiss Code of Obligations) applies; in respect of the payment of lump sum benefits, PKG is deemed to be in default once 30 days have elapsed after it became aware of the person entitled to benefits or after the presentation of all documentation required for the payment of benefits. However, no interest shall be due on the lump sum benefit until the spouse gives the required consent. The default interest rate charged on termination benefits is based on Art. 7 FZV.

### Art. 52 Amount of benefits

The amount of the annual benefits is set out in the pension plan and shall in each case be recorded in the pension certificate which is issued to the insured person. The pension conversion rates used to calculate the retirement, disability and survivors' benefits are defined by the Board of Trustees and are shown in the Appendix to these Regulations.

### Art. 53 Assignment

Vis-à-vis third parties that are liable for the insured event, PKG at the time of the event shall assume the claims of the insured person, their survivors and further beneficiaries pursuant to these Regulations up to the level of the statutory benefits. In other respects, PKG may require the insured person or person entitled to benefits to assign his claims against liable third parties to PKG up to the amount of its obligation to pay benefits.

### Art. 54 Precedence of the Pension Regulations

In cases of doubt, the Pension Regulations and the resolutions of the Board of Trustees shall take precedence over the pension plan and the latter shall take precedence over the personal pension certificate.

### Art. 55 Payout provisions

#### Pensions

1. Annual pensions shall, as a rule, be paid out in the form of twelve monthly instalments at the start of each month. Payment shall commence in the month following the month in which entitlement to a salary or any substitute salary expires in whole or in part from the 16th to the end of the month. If entitlement to a salary or any substitute salary expires from the first to the 15th of the month, payment will commence in the same month. The full pension shall be paid out or the full contribution waiver granted in respect of the month in which the pension entitlement or entitlement to the contribution waiver expires.

#### Lump sum settlement

2. In the event of special circumstances or negligibility pursuant to Art. 37 Para. 3 BVG, pension claims may be settled in the form of a lump sum. Following the lump sum settlement, all further benefit claims vis-à-vis PKG shall lapse.

3. As a rule, lump sum settlements and lump sums payable at death shall be paid out in the form of a single sum.

#### Reimbursement obligation

4. Benefits which have been paid out without justification must be reimbursed. They may be offset by PKG against further benefits.

## I. Common provisions and limits

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### Art. 56 Adjustment in accordance with inflation

1. Current pensions may be adjusted by means of a resolution of the Board of Trustees in accordance with the reserves and the generated returns.
2. The obligation to adjust current pensions in accordance with statutory requirements shall be waived for as long as these exceed the minimum BVG benefits.

### Art. 57 Offsetting, limiting and reduction of benefits

1. Benefits determined in accordance with the Regulations may be subject to change.

#### Taking third-party benefits into account

2. Third-party benefits shall be given precedence in every case, and shall be offset. All benefits being drawn at the time the question of benefit cuts arises shall be taken into consideration, in particular:
  - a. Benefits from Federal Old-Age, Survivors' and Invalidity Insurance or other state social insurance (Swiss or foreign),
  - b. Benefits from accident and military insurance,
  - c. Benefits from per diem insurance policies for which the employer has paid at least one half of the premiums,
  - d. Salary and substitute salary (e.g. daily allowances from unemployment insurance),
  - e. Benefits from own or other pension schemes,
  - f. Compensation payments made by the employer or any third party,
  - g. For disability pensioners the foreseeable earned income or compensation for loss of earned income still achievable,
  - h. A share of the pension awarded to the divorced spouse or former partner as a result of a divorce decree or a decree on the judicial dissolution of a registered partnership.

#### Avoidance of excessive insurance cover

3. PKG risk pensions in conjunction with offsettable third-party benefits pursuant to lit. a shall be limited to 90 per cent of the relevant salary at the time of commencement of the incapacity for work pursuant to Art. 20 Para. 1-3, taking account of the minimum statutory benefits. In the case of continued insurance of the previously insured earnings pursuant to Art. 40, the previous relevant salary applies.
4. PKG can review the preconditions and scope of a

cut in benefits at any time and adjust its benefits if there is a material change in circumstances.

#### Reductions

- a. PKG does not make up for a refusal to pay benefits or for benefit reductions under accident or military insurance if the latter have imposed their refusal to pay benefits or their benefit reductions pursuant to Art. 21 GSSLA (Federal Act on General Aspects of Social Security Law)], Art. 37 UVG (Federal Act on Accident Insurance), Art. 39 UVG, Art. 65 or 66 MVG (Federal Act on Military Insurance).
- b. PKG may cut its benefits if the insured person or person entitled to benefits was responsible for his own death or disability or the insured person refuses to accept integration measures. The statutory minimum benefits in accordance with the BVG can be refused or cut only if the AHV/IV cuts, withdraws or refuses a benefit.
- c. PKG is also not obliged to compensate a reduction in other benefits when the individual reaches ordinary retirement age (in particular pursuant to Art. 20, Para. 2ter and 2quater UVG and Art. 47, Para. 1 MVG) or the reduction of or refusal to provide other benefits as a result of negligence.

#### Limits on statutory minimum entitlements

5. Only a statutory minimum entitlement exists
  - a. between entry and written confirmation of inclusion of the insured person,
  - b. in the event of a health exclusion or a breach of the duty of disclosure in accordance with Art. 15; this does not apply to entitlement to the lump sum payable at death in the amount of the available retirement assets. The pension protection acquired with the transferred termination benefits is not reduced by a health exclusion,
  - c. to survivors' benefits for divorced spouses (Art. 20 BVV 2),
  - d. in the event of PKG being obliged to provide an advance benefit, or in the case of disputed circumstances,
  - e. to benefits in BVG pension plans,
  - f. to benefits for which no provision is made in these Regulations,
  - g. in the event of a breach of the duty of cooperation.

## I. Common provisions and limits

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### Multiple marriages

6. If several spouse and/or life partner benefits are due, a sum equivalent to a single spouse or life partner benefit shall be divided equally between the spouses and/or life partners. This consequently

means that each surviving spouse or life partner shall receive a reduced spouse's or life partner's benefit, independently of the other surviving spouses and/or life partners.

## J. Financing and purchase

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### Art. 58 PKG revenues

The following serve to cover the benefits and the costs associated with administration:

- a. the assets of PKG and the generated revenues,
- b. the ordinary contributions,
- c. the extraordinary contributions in accordance with the cost regulations,
- d. the deposits made by the insured persons,
- e. the voluntary grants.

### Art. 59 Ordinary contributions

1. The ordinary contributions comprise the effective retirement credit and contributions towards the risk, administration and security fund costs, as well as towards adjusting the pensions in line with inflation.

### Contribution obligation

2. The contribution obligation begins upon inclusion and ends upon death, departure or the commencement of the retirement pension, notwithstanding Art. 27.

### Amount

3. The composition and amount of the ordinary contributions are defined in the pension plan. The contributions may be adjusted by PKG in the event of changed conditions.

### Contribution payment

4. The contributions of the insured persons shall be deducted from their income and remitted to PKG by the employer on a quarterly basis. The contributions of the employer correspond at least to the sum of the contributions of the insured persons. In respect of contributions which are not paid punctually, default interest as well as administrative costs for further extraordinary expenses shall be imposed from the respective due date. The default interest rate shall be at least two percentage points above the interest rate on the PKG retirement assets.

### Art. 60 Transfer of termination benefits

Termination benefits transferred to PKG shall be used to accrue the personal retirement assets of the insured person.

### Art. 61 Occupational pension purchases

1. Active insured persons and their employers may make tax-exempted purchases at any time within the framework of the statutory provisions. The maximum purchase sum corresponds to the difference between the available retirement assets and the possible retirement assets including interest.

2. Purchases may only be made once any earlier withdrawal in the context of promoting home ownership using occupational pension assets has been paid back in full or repayment of the advance withdrawal is no longer permissible by law. Repurchases in the event of divorce or legal dissolution of the registered partnership are exempt from this restriction. Purchases can only be made following full repurchases in the event of divorce or legal dissolution of the registered partnership.

3. Insured persons and their employers may furthermore make purchases in respect of early retirement. In the event of early retirement being waived, the regulatory target benefit may be exceeded by no more than five per cent. If, upon waiving early retirement, insured persons have exceeded the target benefit by more than five per cent, accumulation of the retirement account will be suspended and no further savings contributions will be levied.

4. The pension benefits resulting from the purchases may not be drawn in lump sum form for three years.

5. The purchase may be financed in the form of a one-off deposit or in the form of annual contributions.

## K. Administration

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### Art. 62 Board of Trustees and Management Committee

#### Duties

1. The Board of Trustees is the highest governing body of PKG and responsible for the overall management of PKG. It complies with the statutory duties pursuant to Art. 51a Para. 1 and 2 BVG.
2. The Board of Trustees elects the Management Committee from amongst its members. This decides on all matters which are not reserved for other bodies in accordance with the law, the Articles of Association or the Regulations.

#### Composition

3. The Board of Trustees consists of at least ten members, with equal numbers of employer and employee representatives:
  - a. The employer representatives of the delegates' meeting elect their members.
  - b. The employee representatives of the delegates' meeting elect as many representatives as are required to ensure equal representation.
4. The period of office of the elected members is three years.

#### Constitution

5. The Board of Trustees shall constitute itself, and shall elect its Chairman and Deputy Chairman from amongst its members.

#### Meetings and resolutions

6. The Board of Trustees shall be convened by the Chairman in accordance with the business or at the request of one of its members. Each member of the Board of Trustees shall have one vote. Minutes of the resolutions must be kept.

#### Organisational Regulations

7. Further details are set forth in the Organisational Regulations.

### Art. 63 Delegates' meeting

#### Duties

1. The delegates' meeting shall receive the statement of accounts drawn up by the Board of Trustees and shall elect
  - a. the representatives of the employers on the Board of Trustees,

- b. the representatives of the employees on the Board of Trustees.

#### Composition

2. The member enterprises can each elect one employer representative and one employee representative as delegates, taking account of the statutory requirements pertaining to equal representation.

#### Meetings and resolutions

3. Ordinary meetings take place every three years. They shall be convened by the Board of Trustees 20 days in advance, and shall also be presided over by the Chairman of the Board of Trustees. One tenth of the member enterprises may demand that an extraordinary meeting be held, specifying the items on the agenda.
4. Each delegate shall have one vote. The meeting shall decide with a simple majority of all individuals present. Deputising is not permitted. In the event of a parity of votes, the ballot must be repeated. In the event of a renewed parity of votes, an arbitrator appointed by the supervisory authority shall decide.
5. Upon request, the meeting may decide to hold secret ballots or elections. Resolutions must be recorded in the minutes.

#### Organisational Regulations

6. Further details are set forth in the Organisational Regulations.

### Art. 64 Auditing

1. The statutory auditor complies with the duties pursuant to Art. 52c BVG. The auditor's report shall be presented to the supervisory authority.
2. The pension insurance expert complies with the duties pursuant to Art. 52e BVG. He shall draw up a written report.

### Art. 65 Duty of confidentiality

The members of the Board of Trustees and all persons responsible for management, administration, auditing or supervision shall be bound by a duty of confidentiality.

## L. Transitional and final provisions

### Art. 66 Disability pensions

In the case of disability pensions, the transitional provisions lit. f pertaining to the BVG amendment shall apply.

### Art. 67 Partial liquidation

Any partial liquidation shall be performed in accordance with the provisions of Art. 53 b–d BVG, Art. 27 g and h BVV 2 (Ordinance No. 2 to the BVG) and the separate PKG regulations pertaining to partial liquidation.

### Art. 68 Transitional provisions

**pertaining to Art. 28 and 29:** The survivors' pensions already paid out on 1 January 2008 shall cease at the end of the month during which the beneficiary dies, marries, enters into a new life partnership or receives a lump sum settlement. If the spouse's retirement pension promised in accordance with the previous regulations on 1 January 2008 is higher than the survivors' pension, the higher retirement pension shall be paid out from the ordinary retirement age of the deceased person.

**pertaining to Art. 6:** In the case of inability to work the cause of which results in disability or death, and which occurred before the Pension Regulations, as amended, and the pension plan, as amended, entered into force, the benefits are calculated based on the Pension Regulations and pension plan which were valid when the inability to work set in.

### Art. 68a Transitional provisions concerning pension entitlement

1. In the case of persons receiving a disability pension born in 1966 or earlier whose pension entitlement arose before 1 January 2022, pension entitlement is based on the pension fund provisions in force up to 31 December 2021.

2. In the case of persons receiving a disability pension born in 1967 and later whose pension entitlement arose before 1 January 2022, the previous pension entitlement shall remain in force until the degree of disability in the occupational benefit scheme changes by at least 5 percentage points as a result of a revision to disability insurance (IV). However, if the change in pension entitlement results in pension entitlement decreasing despite an increase in the degree of disability or in pension entitlement increasing

despite a reduction in the degree of disability, the previous pension entitlement shall continue to apply.

3. In the case of persons receiving a disability pension born in 1992 and later whose pension entitlement arose before 1 January 2022, pension entitlement shall be determined by 1 January 2032 at the latest in accordance with Art. 25 para. 2. If pension entitlement decreases as a result, the previous pension entitlement shall remain in force until the degree of disability in the occupational benefit scheme changes by at least 5 percentage points as a result of a revision to disability insurance (IV).

### Art. 68b Transitional provisions to Art. 27 para. 2

The contribution-free continuation of retirement provisioning in the event of disability shall be adjusted in line with pension entitlement.

### Art. 69 Restructuring measures

1. In the event of insufficient cover pursuant to Art. 44 BVV 2, the Board of Trustees in conjunction with the expert for occupational provisioning may impose reasonable measures to rectify this situation. The principle of proportionality must be observed.

2. If necessary, the following, for example, may be performed:

- a. Restructuring contributions may be levied, whereby the restructuring contribution of the employers must be at least as high as that of the insured persons,
- b. Restructuring contributions may be levied from pensioners, whereby the respective restructuring contribution may not be higher than the amount by which the current pensions have been voluntarily raised over the last ten years,
- c. The statutory minimum interest rate used to calculate the minimum statutory retirement assets may be undercut by 0.5 per cent for a maximum of five years,
- d. The interest rate for calculating the termination benefit pursuant to Art. 17 FZG may be reduced for the duration of insufficient cover to the rate at which the retirement assets earn interest; interest already credited will not be subject to cuts,
- e. Advance withdrawals to repay mortgage loans may be refused.

## L. Transitional and final provisions

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3. The employer can also be obliged to pay restructuring benefits for pensioner portfolios once all active insured persons attributable to the employer have departed.

### **Art. 70 Amendments to the Regulations**

1. The Board of Trustees may amend these Regulations at any time. They must take account of the statutory provisions and the purpose of the foundation.

2. If provisions are missing from the Pension Regulations, the Board of Trustees or the Management Committee must make an arrangement which corresponds to the pension provisioning purpose.

### **Art. 71 Disputes**

In the event of disputes, these shall be settled by the court which Art. 73 of the Swiss Occupational Pensions Act (BVG) declares to have jurisdiction.

### **Art. 72 Liability**

The assets of PKG shall be exclusively liable for the aforementioned liabilities. PKG accepts no liability for any consequences whatsoever arising from a breach of obligations by the member enterprises, insured persons or persons entitled to benefits, and reserves the right to assert any losses that it incurs in this regard and to claim back any benefits which have been wrongfully rendered.

### **Art. 73 Dissolution and liquidation**

In the event of the dissolution or liquidation of PKG, the procedures followed shall be in accordance with the provisions of the Foundation Deed and the law.

### **Art. 74 Entry into force**

These Regulations shall come into force on 1 January 2021 and replace those of 1 January 2018.



## Appendix I to the Pension Fund Regulations

Pension conversion rates for men	2022	2023	2024	2025	2026
58	4.35%	4.25%	4.15%	4.05%	3.95%
59	4.50%	4.40%	4.30%	4.20%	4.10%
60	4.65%	4.55%	4.45%	4.35%	4.25%
61	4.80%	4.70%	4.60%	4.50%	4.40%
62	4.95%	4.85%	4.75%	4.65%	4.55%
63	5.10%	5.00%	4.90%	4.80%	4.70%
64	5.25%	5.15%	5.05%	4.95%	4.85%
65	5.40%	5.30%	5.20%	5.10%	5.00%
66	5.55%	5.45%	5.35%	5.25%	5.15%
67	5.70%	5.60%	5.50%	5.40%	5.30%
68	5.85%	5.75%	5.65%	5.55%	5.45%
69	6.00%	5.90%	5.80%	5.70%	5.60%
70	6.15%	6.05%	5.95%	5.85%	5.75%

Pension conversion rates for women	2022	2023	2024	2025	2026
58	4.50%	4.40%	4.30%	4.20%	4.10%
59	4.65%	4.55%	4.45%	4.35%	4.25%
60	4.80%	4.70%	4.60%	4.50%	4.40%
61	4.95%	4.85%	4.75%	4.65%	4.55%
62	5.10%	5.00%	4.90%	4.80%	4.70%
63	5.25%	5.15%	5.05%	4.95%	4.85%
64	5.40%	5.30%	5.20%	5.10%	5.00%
65	5.55%	5.45%	5.35%	5.25%	5.15%
66	5.70%	5.60%	5.50%	5.40%	5.30%
67	5.85%	5.75%	5.65%	5.55%	5.45%
68	6.00%	5.90%	5.80%	5.70%	5.60%
69	6.15%	6.05%	5.95%	5.85%	5.75%
70	6.30%	6.20%	6.10%	6.00%	5.90%

The Board of Trustees may bring the pension conversion rates into line with changed interest and life expectancy rates at any time.

Lucerne, 25 November 2020

## Appendix II to the Pension Fund Regulations

### Options regarding the prospective survivors' benefits of persons drawing a retirement pension

#### Art. 1 Principles

1. Upon written request, insured persons may adjust the prospective survivors' benefits to which their survivors are entitled in the event of death as recipients of a retirement pension. They may either choose the amount of the prospective spouse's/life partner's pension in accordance with Art. 36 or insure a vested lump-sum payable at death.

2. The application to adjust the prospective survivors' benefits must be submitted to the PKG in writing and with the consent of the spouse or registered partner before retirement, at the latest before the first pension payment is made. To verify the consent provided by the spouse or registered partner, the PKG requires the officially certified signature of the spouse or registered partner.

3. In the event of partial retirement pursuant to Art. 41 with the receipt of a retirement pension, the same prospective survivors' benefits shall apply to further steps in retirement steps as they were to the first step in retirement.

#### Art. 2 Prospective spouse's/life partner's pension

1. The standard accrued spouse's or partner's pension for a recipient of a retirement pension is 60 per cent of the retirement pension (Art. 36 para. 7). Insured persons may opt for a different accrued spouse's/life partner's pension of 80 per cent or 100 per cent of the retirement pension. Alternatively, the prospective spouse's/life partner's pension may be reduced to the amount of the spouse's pension under the BVG.

2. The increase in the prospective spouse's/life partner's pension is funded through a reduction in the retirement pension. The reduction in the retirement pension is calculated individually based on the insured person's gender and the age difference with the spouse/life partner.

3. A prospective spouse's/life partner's pension of more than 60 per cent is only eligible if the retirement pension resulting from the reduction is higher than the retirement pension under BVG.

4. If, in the event of the death of the retirement pension recipient, PKG becomes liable to pay benefits to a spouse or life partner other than the spouse or life partner at the time the first retirement pension falls due, entitlement to an increased prospective spouse's/life partner's pension compared with the spouse's/life partner's pension pursuant to Art. 36 para. 7 shall lapse.

5. If the prospective spouse's/life partner's pension is reduced to the level of the spouse's pension under BVG, the retirement pension shall be increased. The increase in the retirement pension is calculated based on the gender, the retirement age and the ratio between the size of the regulatory retirement pension and the retirement pension under BVG of the insured person.

#### Art. 3 Lump sum payable at death for persons drawing a retirement pension

1. As standard, PKG does not pay a lump-sum payable at the death of a person drawing a retirement pension. However, insured persons may insure a lump-sum payable at death. In this case, a lump-sum payable at the death is paid out if the retirement pension recipient dies before reaching the age of 75.

2. The amount of the lump-sum payable at death corresponds to the retirement pensions theoretically outstanding when the retirement pension expires up to the age of 75. If entitlement to a spouse's or partner's pension arises after the person drawing a retirement pension dies, the lump-sum death benefit is reduced by 60 per cent.

3. The lump-sum death payable at death shall be paid out in the following order of priority, irrespective of the right of inheritance:

- a. the surviving spouse,
- b. the surviving partner in accordance with Art. 36 para. 2,

- c. the person who is responsible for the maintenance of one or more joint children,
  - d. the natural persons who have been given significant support by the person drawing a retirement pension, provided a written declaration of beneficiary was submitted during the person's lifetime,
  - e. the children,
  - f. the parents,
  - g. the siblings,
  - h. the other legal heirs to the exclusion of the community.
4. The insurance for the prospective lump sum payable at death is funded through a reduction in the retirement pension. This amounts to 3 per cent of the retirement pension for men and 2 per cent for women in accordance with Art. 35.
5. The insurance for the prospective lump sum payable at death is only eligible if the retirement pension resulting from the reduction is higher than the retirement pension under BVG.

## Key terms and abbreviations

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<b>AHV</b>	Federal retirement and survivors' insurance (AHV/OASI)
<b>BVG</b>	Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans (BVG/LPP)
<b>BVV 2</b>	Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans (BVV 2/OPP 2)
<b>FZG</b>	Federal Law on Vesting in Pension Plans (FZG/LFLP)
<b>IV</b>	Federal Disability Insurance (IV/AI)
<b>MVG</b>	Federal Act on Military Insurance (MVG)
<b>PartG</b>	Federal Act on the Registered Partnership between Same-Sex Couples (PartG/SSPA)
<b>UVG</b>	Federal Act on Accident Insurance (UVG/AIA)
<b>WEF</b>	Ordinance on Use of Pension Assets for Encouragement of Home Ownership (WEF/OEPL)
<b>ZGB</b>	Swiss Civil Code (ZGB)
<b>Active insured persons</b>	<p>Insured persons, including those unable to pursue gainful employment who are in an existing employment relationship, for whom the employer and possibly also the employee pay risk and/or savings contributions until the waiting period for a contribution waiver expires.</p> <p>Also includes insured persons continuing insurance cover in accordance with Art. 44.</p>
<b>Active insurance period</b>	Insurance period as an active insured person
<b>Age</b>	Difference between current calendar year and year of birth
<b>Retirement assets/capital</b>	Individual retirement account of the insured person/person entitled to a pension
<b>Retirement credit</b>	Annual credit on the retirement account, the amount of which is stipulated in the pension plan
<b>Retirement benefit</b>	Retirement pension or retirement capital
<b>Retirement provisioning</b>	Savings process with respect to retirement

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<b>Membership/membership agreement</b>	Basic agreement between the member enterprise and PKG, stipulating the rights and obligations
<b>Inability to work</b>	Full or partial inability to perform reasonable work in previous occupation or field of responsibilities due to impairment of physical, mental or psychological health. In the case of extended duration, reasonable work in another occupation or field of responsibilities shall be taken into consideration.
<b>Termination / vested benefit</b>	Entitlement to the acquired retirement assets upon departure from PKG (e.g. in the event of a change of position of employment)
<b>Purchase / supplementary finance</b>	Opportunity to make tax-exempt supplementary payments into the pension fund
<b>Reported or relevant annual salary</b>	Probable AHV annual salary or pursuant to Regulations/ pension plan
<b>Duty of cooperation</b>	A person who claims or draws disability benefits is obliged to participate actively in health checks (e.g. visits to doctors), medical follow-up checks (e.g. expert opinions) and reasonable reintegration measures (e.g. integration measures, retraining).
<b>Ordinary retirement age</b>	Age specified in pension plan at which an entitlement to retirement benefits arises
<b>Passive insured persons</b>	Insured persons who receive disability, death or retirement benefits or are exempt from making contributions
<b>Retirement</b>	Actual ending of gainful employment when retirement benefits become due; may occur before or after ordinary retirement age
<b>Pension conversion rate</b>	Relevant percentage rate for a retirement asset when determining the amount of the annual pension
<b>Risk contribution</b>	Annual contribution for risk provisioning and administrative costs
<b>Risk provisioning</b>	Insurance against the economic consequences of death and disability

## Key terms and abbreviations

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<b>Security fund</b>	Foundation which safeguards the statutory benefits of pension funds that have become insolvent and provides grants in the event of unfavourable age structures
<b>Savings contribution</b>	Annual contribution to finance the retirement credit
<b>Actuarial date</b>	Relevant date for administrative processing of the provisioning
<b>Insured annual salary</b>	Basis for the calculation of the benefits and contributions (in accordance with the pension plan)
<b>Insured person / insured persons</b>	Persons for whom the employer and possibly also the employee pay risk and/or savings contributions or persons who receive disability, death or retirement benefits or are exempt from making contributions
<b>Insurance year</b>	Calendar year
<b>Probable retirement benefit</b>	Projected retirement benefit at the time of retirement (not guaranteed)
<b>Pension certificate</b>	Personal certificate detailing the salary, contributions and benefits
<b>Pension plan</b>	Basic document which defines the benefits and contributions agreed with PKG
<b>Promotion of home ownership</b>	Opportunity to finance residential property for own use by deploying occupational pension assets

The German version of the pension regulations, approved by the board of trustees, shall prevail in case of doubt or ambiguity.



PENSIONSKASSE FÜR KMU