Pension Rules

Part 2 General Terms and Conditions (GTC)

Versionof 04.2024

General Information on the Pension Rules

The Pension Rules of Allianz Pension Invest – Semi-Autonomous Collective Occupational Pension Foundation (hereinafter “the Foundation”) consist of Part 1: Special Rules (SR) and Part 2: General Terms and Conditions (GTC). For information purposes every insured person receives a pension certificate prepared by the Foundation.

The SR contain information specific to the pension plan that applies to the relevant pension scheme. They supplement the GTC with regard to the specific features of the plan and take precedence over them.

The GTC are equally valid for all pension plans of enrolled companies and apply without restriction, subject to provisions based on the individual agreed pension plan (SR).

The individual pension certificate reflects the insured person’s specific pension situation in accordance with the pension plan. The provisions of the Pension Rules are authoritative.

The Pension Rules can be inspected at the employer’s premises or obtained from Allianz Suisse Life, P.O. Box 8010, Zurich. The GTC are also published on the website.

The Foundation is authorised, but not obliged, to make further information and documentation relating to the Foundation and to its pension schemes available for download from www.allianz.ch. Other material that may be published on the Internet includes in particular special forms relating to pension provision, the Cost Schedule, provisions relating to the contribution account and the current interest rates, the Foundation Deed, the Organisational Regulations, the Investment Regulations, the Regulations for Defining the Policy on Provisions, the Partial Liquidation Regulations, the Restructuring Regulations on the Measures to be Taken in the Event of Underfunding, the Rules of Conduct for the Responsible Persons and references to changes to these documents as well as the names of members of the Board of Trustees, the annual financial statements and the Annual Report. The Foundation is entitled to restrict or discontinue publication on the Internet at any time.

Table of contents

0. Terms and legal basis

Terms

Foundation
Allianz Pension Invest – Semi-Autonomous Collective Occupational Pension Foundation

Allianz Suisse
Allianz Suisse Insurance Company Ltd, Wallisellen

Allianz Suisse Life
Allianz Suisse Life Insurance Company Ltd, Wallisellen

Employer
An enrolled company

Pension scheme
The employer's pension fund established with the Foundation

Employees
Persons employed by the employer

Group of insured persons/insured persons
All employees and self-employed employers insured in a pension plan

Pension Commission
Joint governing body of the pension scheme

Board of Trustees
The supreme governing body of the Foundation

Compulsory pension provision
Minimum benefits in accordance with the Federal Act on Occupational Retirement, Survivors' and Disability Benefits (BVG)

Elective pension provision
Benefits that exceed the compulsory pension provision ("supplementary" provision)

BVG-compliant plans
Pension plans in which the insured risk benefits depend on the projected retirement assets excluding interest.

WEF early withdrawal
Withdrawal for the purposes of home-ownership promotion

Normal retirement age
Reference age pursuant to Article 21 paragraph 1 AHVG

Legal basis

ATSG
Federal Act on the General Part of Social Security Law

BVG
Federal Act on Occupational Retirement, Survivors' and Disability Benefits

FZG
Federal Act on Vested Benefits in Occupational Retirement, Survivors' and Disability Benefits

AHVG
Federal Act on Retirement and Survivors' Insurance

IVG
Federal Disability Insurance Act

UVG
Federal Accident Insurance Act

MVG
Federal Military Insurance Act

ZGB
Swiss Civil Code

OR
Swiss Code of Obligations

SchKG
Federal Debt Collection and Bankruptcy Act

VAG
Federal Insurance Companies Supervision Act

DSG
Federal Data Protection Act

PartG
Federal Act on the Registered Partnership of Same-Sex Couples

1. General information

1.1. Pension provider

1. The Foundation was established by Allianz Suisse Life as a pension provider in accordance with Article 80 ff. ZGB, Article 331 ff. OR and Article 48 (2) BVG.

2. The Foundation has been entered in the Commercial Register and the Occupational Pensions Register. It is subject to legal supervision.

1.2. Purpose of pension provision

1. The purpose of pension provision is to provide insured persons and those entitled to benefits under the Pension Rules with at least the insurance cover stipulated by the BVG.

2. These Pension Rules describe the rights and obligations of the Foundation, the insured persons and those entitled to benefits on the basis of the applicable SR. They also set out the conduct of the employer with regard to these. The Pension Rules particularly stipulate the legal entitlements of insured persons and their survivors in retirement and in the event of death, disability and departure from the pension scheme, within the framework of the home-ownership promotion scheme and in the event of divorce or legal dissolution pursuant to the PartG.

3. The specific pension plan that applies to the relevant pension scheme is reflected in the SR.

4. For each pension scheme, the pension plan must conform to the principles of reasonableness, collectivity,

equal treatment and orderliness, as well as to the insurance principle.

5. If the employer enrols with one or more other pension providers (meaning that persons insured by the Foundation are also insured by other pension providers), this must be reported to the Foundation without delay. In consultation with the pension providers involved, the employer must take precautions to ensure that the total pension benefits are commensurate. The Foundation is authorised to amend its pension plans if enrolment with other pension providers means that the total pension benefits are not commensurate.

1.3. Management of retirement assets

In addition to compulsory pension provision, the SR may also provide for elective pension provision. If the pension plan includes elective as well as compulsory pension provision, retirement assets for both the elective and the compulsory components are managed as a single combined unit. These combined retirement assets must be at least equal to the retirement assets legally prescribed by the BVG.

1.4. Implementation of the employee benefits scheme

1. In fulfilment of its legal obligation to provide benefits, the employer has concluded an enrolment contract with the Foundation for the provision of employee benefits.

2. By concluding this enrolment, the employer and the Pension Commission acknowledge that the companies of the Allianz Suisse Group will be responsible for administering employee benefits, implementing the Pension Rules and supplying information to insured persons. They shall notify beneficiaries and also third parties – where this is appropriate by virtue of legal provisions regarding data disclosure and the provision of information to insured persons – of their rights and obligations.

3. The Foundation has concluded a group insurance contract with Allianz Suisse Life covering the risks of death and disability.

1.5. Board of Trustees/Pension Commission

1. The constitution, composition, quorum requirements, rights and obligations of the Board of Trustees and the Pension Commission are set out in the Organisational Regulations.

2. A Pension Commission shall be formed for the pension scheme.

1.6. Cooperation

1.6.1 Reporting and notification obligations

1 As a rule, the employer, the insured person and the beneficiaries are obliged to provide the Foundation with all the data and supporting documentation that it requires in order to provide employee benefits (e.g. entry and departure forms, certificate of existence, official death certificate, grant of probate, medical certificates, disability insurance documentation, training/education certificates, family booklet etc.) and home-ownership promotion (e.g. purchase contract, contract for services, unit certificates, pledge agreement, mortgage contract, extract from the land register etc.) within 30 days. The reporting and notification obligation relates in particular to:

a) Reporting changes of name or address
b) Registering the entry of a new member and the departure of a former member of the group of persons required by the Pension Rules to be covered at the commencement and termination of the employment contract or the insurance obligation (including information on previous and future benefit provision)
c) Reporting the personal data required for the provision of employee benefits and any changes to it
d) Providing information on the fitness for work of persons who are or are to be insured, particularly regarding the commencement and termination of incapacity
e) Reporting the (projected) AHV annual salaries of the persons who are or are to be insured for the current insurance year (commencing at the contractual reference date – as a rule on 1 January)
f) Reporting major changes that might have effects on benefit provision, notably the conclusion of changes to or suspension of daily benefits insurance that would have a substantial impact on the commencement – or, where applicable, the delay of benefit payments by the Foundation (duration of waiting period)
g) Reporting incidences of retirement, death and disability and submitting supporting documentation
h) Providing information on eligible income for the calculation of overpayment or the coordination of insurance benefits
i) Reporting that circumstances giving rise to an entitlement have changed or no longer apply, such as reaching retirement age, changes in the degree of incapacity, death, remarriage, etc.)
j) Notification of the employer's enrolment with another occupational pension provider
k) Information related to a purchase about balances pursuant to Section 5.4.1 paragraph 3 that could reduce the maximum purchase amount

2. The provisional continuation of insurance and maintenance of the entitlement to benefits in the event of the reduction or termination of the federal (IV) disability pension (Article 26a BVG) is subject to special reporting and notification obligations:

a) For three years after the reduction or termination of the IV disability pension, employers of employees whose insurance is provisionally continued at the Foundation or another pension provider in accordance with Article 26a BVG must indicate, together with the salary notification, since when a reduced IV disability pension or no IV disability pension at all has been paid.
b) Where the employee leaves his/her job and takes up new employment, the insured person must inform the Foundation of his/her most recent salary in his/her previous job for three years after the reduction or termination of the IV disability pension.
c) Once three years have elapsed since the reduction or termination of the IV disability pension, the employer must register the employee with the pension provider without delay.

3. Special obligations in the event of unfitness for work:
a) The employer is required to notify the Foundation immediately in writing of the total or partial incapacity for work of an insured person once the insured person has been at least 40 percent incapacitated or has been incapacitated at the minimum rate stipulated in the SR for more than 30 days within 90 days of first becoming incapacitated. The Foundation will thereupon

provide the employer with the insurance benefits application form, which it must return to the Foundation, fully completed and signed, within 30 days of the postmark date.

b) If the insured person has been at least 40 percent incapacitated or has been incapacitated at the minimum rate stipulated in the SR for more than 30 days within 90 days of first becoming incapacitated, the employer must call on the insured person to apply for preliminary registration with the Swiss Federal Disability Insurance (IV). The Foundation may also call on the insured person to make such application or do so on his or her behalf.

c) The insured person must register with the IV within 30 days of the expiry of the specified period or within 30 days of being called upon to do so by the employer or the Foundation. This is designed to achieve the primary objective of the IV, namely the insured person's return to work.

4. Special obligations in the event of multiple insurance cover:

a) If the insured person is covered by more than one insurance scheme and the total of all his or her AHV-relevant salaries and income is more than ten times the upper limit under the BVG (= 10 x 300 percent of the maximum AHV retirement pension), he or she must provide the Foundation and every other insurer with information on the totality of his or her insurance cover and on the salaries and income insured.

b) If the employer joins one or more other pension providers and persons insured by the Foundation are consequently simultaneously insured elsewhere, it must notify the Foundation accordingly without delay.

5. The forms provided by the Foundation for supplying particular details, reports and information must be used by the employer, the Pension Commission, insured persons, pensioners and other beneficiaries.

6. All details, reports and information must be supplied to the Foundation in writing, signed as accurate, within 30 days of the relevant circumstances becoming known. The same applies to papers, documentation, certificates and evidence required by the Foundation for the assessment of a situation and for cooperation with IV agencies. Until such information or documentation is supplied, the Foundation is entitled not to take the action it would otherwise have been required to take. It shall in particular not be liable to pay compensation for damages or to pay interest on delayed benefits unless required by law to do so. However, with regard to the notification of AHV annual salary in accordance with Section 1.6.1. paragraph 1 letter e, the employer is obliged to notify the Foundation of the current salary by 30 June of the relevant insurance year at the latest.

7. If the reporting and notification obligations have been breached and, through no fault of its own, the Foundation becomes liable towards third parties, especially towards insured persons, pensioners and other beneficiaries, for benefits that have not been adequately financed through premium payments by the employer, the person responsible for such breaches shall fully indemnify the Foundation for the ensuing costs and expenses.

1.6.2. Duty of loss mitigation

1. Under the duty of loss mitigation, insured persons are obliged to do whatever possible, of their own accord, to improve their ability to work in their current profession or area of activity. In particular, they are obliged

a) to take every opportunity to find, accept or retain an occupation that can be reasonably adapted to their disability.

b) to make all possible and reasonable adjustments in their profession or area of activity so as to make the best possible use of their remaining ability to work.

c) to undergo reasonable medical treatment, providing this is capable of improving their ability to work to such an extent that the pension can be reduced or terminated. It is irrelevant whether or not the Foundation covers the costs of medical treatment.

d) under certain circumstances to relocate if there are suitable opportunities for employment in another area. Insured persons must actively cooperate with all reasonable measures aimed at retaining their current job or enabling their (re-)integration into the workplace.

2. Insured persons are obliged to provide information and act in a cooperative manner, and they must undergo all prescribed, reasonable clarification and (re-)integration measures and actively contribute to the success of the reintegration measures. They must also be available for the necessary medical examinations and, if resident abroad, to undergo the essential clarifications needed to assess their pension entitlement in Switzerland if required.

3. A violation of the duty of loss mitigation will, subject to legal provisions to the contrary, result in a reduction of benefits. This is calculated in light of the entire circumstances of the matter at hand, taking into account the severity of the insured person's culpable behaviour, the severity of the health impairment and any mitigating circumstances.

1.6.3 The Foundation's and the insured person's duty to inform

4. The Foundation shall provide employers enrolled with it, insured persons and other beneficiaries with the information prescribed by law and specified in the Pension Rules.

5. The Foundation is obliged, each year, to provide the insured person, in a suitable manner, with information on benefit entitlements, coordinated salary, contribution rate, retirement assets, organisation, financing and the members of the Board of Trustees (with equal representation).

6. It is not obliged to provide other information not prescribed by law or by these Pension Rules. In all cases, additional information will only be supplied against full reimbursement of all costs thereby incurred.

7. Insured persons are obliged to retrieve information on the Foundation and the pension schemes regularly on the Internet from www.allianz.ch or request that the appropriate publications be sent to them.

1.7. Liability

1. Subject to any overriding legal provisions, the Foundation declines all liability for the consequences of breaches of reporting and notification obligations by the employer, insured persons or beneficiaries. The right to claim recovery and compensation is reserved.

2. The insured person is under a contractual liability to compensate the Foundation in respect of any breach of the present Pension Rules (breach of the pension contract).

1.8. Data management and protection and privacy

1. The data relating to the insured person arising from application documents or from the implementation of the employee benefits scheme is provided to the parties appointed to handle the technical administration, the provision of risk insurance and the performance of benefit checks, in particular Allianz Suisse and Allianz Suisse Life. These parties may pass such insurance-related data to other insurance providers, i.e. to co-insurers and reinsurers, to the extent that this is necessary for occupational-benefits purposes. The Foundation and the appointed parties may delegate the processing of such data by agreement to third parties in Switzerland and abroad, provided that legal privacy policies ensure adequate data protection and these third-party operators are subject to legal secrecy obligations or undertake to respect them.

2. In the event of recovery from a liable third party, data pertaining to the recourse claim may be disclosed to the liable third party or that party's liability insurance provider.

3. To prevent/combat misuse and unjustified benefit payments, the Foundation or Allianz Suisse Life may, in compliance with the principles of proportionality and data protection and in the event of justified suspicion of misuse, adopt surveillance and observation measures or delegate these tasks as required to carefully selected third parties which are subject to the same business secrecy obligation and which have undertaken to uphold the corresponding duty of confidentiality.

4. The Foundation and all involved insurance companies shall take the measures legally prescribed to ensure that data are handled in accordance with data protection requirements.

5. The legal provisions of the BVG with regard to the processing of personal data, the inspection of documentation, the confidentiality obligation, data disclosure and official and administrative assistance shall apply. In all other respects, the general provisions of the Data Protection Act (DSG) also apply.

6. Further information, including on further uses and recipients of the data and the associated rights, can be found in the data protection statement at http://www.allianz.ch/privacy.

2. Definitions

2.1. Age

1. A person's age is the age he or she has actually reached, expressed in whole years and months. The time from birth to the beginning of the following month is disregarded.

2. For the calculation of retirement credits, a person's age is the difference between the current calendar year and the year of his or her birth.

2.2. Insurance year / reference date

The insurance year coincides with the calendar year. The reference date is 1 January.

2.3. Salary

2.3.1. Reported annual salary

1. The reported annual salary is the insured person's annual salary as reported by the employer when he or she joins the pension scheme or on the reference date. The reported annual salary applies throughout the insurance year.
If the insured person is not employed for the entire year, his or her salary is pro-rated to derive an annual figure. Remuneration that is paid in addition to a fixed monthly salary (bonus payments, etc.) is not pro-rated to derive an annual figure.

2. If the person to be insured is only fit for part-time work on joining the pension scheme or on the reference date, his or her part-time salary applies.

3. The reported annual salary comprises in particular
   a) the AHV salary paid by the employer, including
   b) all remuneration paid on a regular basis for work performed and
   c) contractually agreed or regular bonus payments and
   d) compensation for any extraordinary working hours agreed with the insured person at the start of the insurance year (such as overtime and night work) and
   e) any other contractually agreed or regular fringe benefits which count towards the decisive AHV salary

4. The reported annual salary does not include salary components that are only due occasionally, in particular:
   a) Long service awards and similar payments
   b) Bonus payments that are not contractually agreed and are paid only irregularly, severance payments
   c) Compensation for extraordinary working hours that are not previously agreed under the contract or are irregular
   d) any other non-contractually agreed or irregular fringe benefits

5. Where salaries are subject to fluctuation, the annual salary can be determined in advance on the basis of the last known annual salary, taking account of any salary changes already agreed.

6. As a benchmark for the inclusion of regular bonus payments, regular indemnity payments for extraordinary working hours and regular fringe benefits that count towards the decisive AHV salary, the point of reference shall be the average of the respective amounts paid over the previous three years. When new persons requiring insurance cover join the company, income components of this kind are taken into account for the first time on 1 January of the following year on the basis of the payments made to them in the previous year.

7. As part of the provisional continuation of insurance and maintenance of the entitlement to benefits in the event of the reduction or termination of the IV disability pension (Article 26a BVG), the provisions on the definitive salary in Section 3.2 c) shall continue to apply.

8. For the purposes of insurance cover under the present Pension Rules, no account is taken of any salary earned by the insured person from another employer.

9. To the extent that the AHV salary exceeds the upper BVG limit, an application may be made to insure both compensation for overtime and bonuses that are either contractually agreed or paid on a regular basis via a

separate pension solution outside the Foundation. If corresponding separate insurance cover is concluded, the reported annual salary in accordance with paragraph 3 may not include any of the income components described in paragraph 4.

2.3.2. Insured annual salary

1. The insured annual salary is specified in the applicable SR. It may not exceed the AHV annual salary, and it is limited to ten times the upper limit under the BVG (10 x 300 percent of the maximum AHV retirement pension).

2. Multiple insured salaries may be specified in the SR. The total of the insured salaries applicable to the same risk (retirement, death, disability) may not exceed the AHV annual salary, and it is limited to ten times the upper limit under the BVG (10 x 300 percent of the maximum AHV retirement pension).

3. If the insured person is covered by more than one insurance scheme and the total of all his or her AHV-relevant salaries and income is more than ten times the upper limit under the BVG, the salary insured by the Foundation is reduced on a pro-rata basis so that the total of all salaries and income insured by all the insurance schemes does not exceed ten times the upper limit under the BVG.

4. To the extent provided for in the applicable SR, the coordination deduction for insured persons in part-time employment is adapted to match the degree of employment for all or individual insured annual salaries.

5. For insured persons who are partially disabled, the threshold values specified in the SR are adjusted in line with the benefit entitlement scale in Section 4.4.2 paragraph 3 or any provision to the contrary in the SR.

6. If the SR provide for continued insurance of the previously insured salary, insured persons whose AHV salary has been reduced by at most one-half as of age 58 may expressly request that their previous insured salary be maintained until they reach normal retirement age, provided that they are fully able to continue performing their duties as insured prior to the reduction and are not yet receiving any retirement benefits.
This request must be made using a special form and addressed to the Foundation via the employer. The insured person must answer the questions on the appropriate application form truthfully and in full; otherwise the provisions on breaches of the disclosure obligation will apply.
To continue to insure the earnings insured thus far, the employer informs the Foundation that the previously insured salary is to remain in force for insurance purposes until the insured person reaches normal retirement age.

7. As part of the provisional continuation of insurance and maintenance of the entitlement to benefits in the event of the reduction or termination of the IV disability pension (Article 26a BVG), the provisions on the definitive salary in Section 3.2 c) shall continue to apply.

2.3.3. Salary changes

1. Employee benefits and contributions are adjusted annually on the reference date in line with prospective salaries at the beginning of the insurance year.

2. Salary changes during the year are taken into account as soon as they come into force, provided that the employer notifies the Foundation in writing of all persons with salary increases and reductions.

3. Retroactive salary changes are taken into account for a maximum of three years prior to the current year and only if documentary evidence is submitted.

4. If the reported annual salary temporarily falls owing to sickness, accident, unemployment, maternity, etc., the previous reported annual salary remains valid for as long as the employer would be liable to continue payment of the salary within the meaning of Article 324a OR or for the duration of maternity leave within the meaning of Article 329f OR. The insured person may, however, ask the Foundation to reduce the insured annual salary. In such cases, the insured annual salary will be reduced with effect from the date on which the Foundation receives the request.

5. If there is justified suspicion that a false declaration has been made indicating a salary that is fictitious and deviates significantly from the AHV salary then the Foundation has the right to correct the insured salary retroactively.

2.4. Retirement credits and assets

2.4.1. Retirement credits

1. Retirement credits are calculated annually and credited to individual retirement assets. The applicable percentages and the basis for the calculation of retirement credits are set out in the SR.

2.4.2. Retirement assets

Retirement assets at any given time are equivalent to all interest-bearing retirement credits credited to the individual's retirement assets. In detail, these are the retirement credits plus interest for the period during which the insured person has been a member of the pension scheme. Retirement assets also include interest-bearing deposits such as transfer values on departure from previous schemes, purchases of additional benefits, and transfers under vested-benefit policies, from vested-benefit accounts or from free Foundation funds or surpluses. Total retirement assets are also affected by deposits and withdrawals relating to early withdrawals for purchases of residential property and to divorce.

2.4.3. Projected retirement assets excluding interest

At any given time, projected retirement assets excluding interest are composed of the retirement assets acquired and bearing interest up to the end of the current insurance year plus the total retirement credits for the years until retirement age, not including interest.

2.4.4. BVG shadow account

1. The Foundation manages BVG retirement assets as a shadow account. The shadow account guarantees that the Foundation's insured benefits are equivalent to the minimum benefits under the BVG.

2. BVG retirement credits constitute the compulsory portion of the retirement credits. They are calculated annually as percentages of the salary insured in accordance with the BVG (coordinated annual salary) and credited to the individual's BVG retirement assets in the BVG shadow account.

3. BVG retirement assets are equivalent to the retirement assets accumulated pursuant to the minimum requirements under the BVG. Available BVG retirement assets at any given time are equivalent to the total of all BVG retirement credits plus interest for the period during which the insured person has belonged to the pension scheme, plus BVG retirement assets transferred from the insured person's previous pension arrangements. Repayments of early withdrawals for purchases of residential property and repurchases in consequence of divorce are also included, subject to confirmation that the assets concerned are indeed BVG retirement assets attributable to the insured person. BVG retirement assets also include components of BVG retirement assets transferred to the Foundation following a pension settlement due to divorce and BVG

components of a lifetime pension which the Foundation has to accept in favour of the insured person in accordance with its Pension Rules. BVG retirement assets are reduced by withdrawals under the home-ownership promotion scheme and in consequence of divorce.

4. Projected BVG retirement assets excluding interest are composed of the BVG retirement assets acquired and bearing interest up to the end of the current insurance year plus the total BVG retirement credits for the years until retirement age, not including interest.

5. The BVG retirement assets bear interest at the minimum BVG rate.

6. Projected BVG retirement assets excluding interest are converted at the minimum BVG conversion rate upon normal retirement. When retirement age is reached, BVG retirement assets are converted in accordance with the BVG at the minimum conversion rate applicable at retirement age.

2.5. Optional plans

1. The SR may provide for up to three savings plans for every group of insured persons.

2. When an insured person joins, he/she shall automatically be assigned to the savings plan with the lowest retirement credits.

3. The insured person may switch to a different savings plan – provided he or she notifies the Foundation using the special form by the end of November at the latest – as of 1 January of the following year. Once they have reached normal retirement age, it is no longer possible to switch.

2.6. Interest and conversion rates

2.6.1. Interest rates

Interest may be paid on retirement assets at a rate which differs from the minimum BVG interest rate. The interest rate may be lower than the minimum BVG interest rate, and it may also be zero. The Foundation shall set the interest rate at the start of the year for departures and retirements which occur during the year. The interest rate for retirement assets accumulated by the end of the year is set by the Foundation on the basis of the annual result and the Foundation's financial resources. This interest rate may differ from that set at the beginning of the year.

2.6.2. Conversion rates

1. Retirement assets are converted to a pension at the Foundation's conversion rate. The rate may be different for male and female insured persons. In the event of normal retirement, the conversion rate valid on the insured person's birthday corresponding to the retirement age under the Pension Rules shall be used. In the event of early retirement, the conversion rate valid on the date on which the employment relationship is legally terminated shall be used.

2. In the case of BVG-compliant plans, the projected retirement assets excluding interest are converted in the event of death or disability into a survivors' or disability pension at the minimum BVG conversion rate upon normal retirement.

2.7. Information on interest and conversion rates

1. Information on interest rates pursuant to Section 2.6.1 and conversion rates pursuant to Section 2.6.2 is provided in the "Key BVG figures, interest and conversion rates" information sheet, which can be downloaded at www.allianz.ch/bvg-documents.

2. The conversion rates pursuant to Section 2.6.2 paragraph 2 are shown in the SR.

2.8. Incapacity

Incapacity for work is the full or partial inability to perform reasonable work in the person's current profession or area of activity as a result of damage to his or her physical or mental health. In the event of protracted incapacity, account is also taken of reasonable activity in a different profession or area of activity.

2.9. Disability (incapacity)

1. Disability means total or partial incapacity that is of such a nature and degree as to justify an entitlement to a pension under Federal Disability Insurance (IV) and is expected to be permanent or protracted.

2. Incapacity is the total or partial loss of the possibility to pursue gainful employment in the relevant balanced labour market due to a medically ascertainable impairment of physical, mental or psychological health and persisting after reasonable treatment and rehabilitation efforts.

3. In assessing whether there is incapacity, solely the consequences of the medically ascertainable impairment are taken into account. Incapacity is only deemed to be present when it is, from an objective point of view, insurmountable.

2.10. Children

1. Children of the insured person or the recipient of a retirement or disability pension are defined as follows:
   a) children within the meaning of Article 252 ff. ZGB
   b) foster children, if the deceased was responsible for their maintenance
   c) step-children maintained entirely or predominantly by the deceased

2.11. Spouses/partners registered in accordance with the PartG

1. Spouses are married persons between the time of a civil marriage ceremony and death or a legally binding divorce. Partners registered in accordance with the PartG are equated with spouses in the absence of any regulatory provisions to the contrary.

2. The term "divorce" also covers the court dissolution of a registered partnership pursuant to the PartG.

2.12. Persons obliged to pay maintenance

Insured persons obliged to pay maintenance are defined as those with dependants as described in Section 4.3.10 paragraph 2a) and 2b) or with children entitled to a pension. Such persons are insured in a special pension plan in accordance with the SR.

3. Acceptance for insurance and pension cover

3.1. Insurance obligation

1. From 1 January of the year after the year in which they reach the age of 17, insurance cover is mandatory for all employees subject to AHV who earn the minimum annual salary specified in the SR and

a) have an employment contract that is either permanent or has a term of at least three months; or
b) have an employment contract that was initially limited to three months but was subsequently extended; or
c) are on one of a series of consecutive employment contracts with the same employer or are performing assignments with a total duration of more than three months for the same lending company where no interruption exceeds three months.

2. A partially disabled employee must be covered by insurance if the conditions listed in paragraph 1 are met and if he or she is not more than 70 percent disabled.

3. The insurance obligation commences:
a) in the case of paragraph 1 a), when the employment contract comes into force
b) in the case of paragraph 1 b), when the extension was agreed
c) in the case of paragraph 1 c), from the start of the fourth month of employment in total; however, if it was agreed before the employee first started work that the duration of the employment or assignment would exceed three months, the employee must be insured from the start.

4. The insurance obligation ceases when the employee becomes entitled to full retirement benefits on taking early, normal or deferred retirement, when his or her employment contract is terminated before that time, or when his or her salary permanently falls below the BVG entry threshold.
Insurance cover also ceases on termination of the employer's enrolment with the Foundation.

3.2. Insurance obligation for persons whose insurance is provisionally continued pursuant to Article 26a BVG

In deviation from the provisions of Section 3.1, the following applies in the context of the provisional continuation of insurance and maintenance of the entitlement to benefits in the event of the reduction or termination of the IV disability pension (Article 26a BVG):

a) For recipients of IV disability pensions who were not in gainful employment before the reduction or termination of the IV disability pension and who take up new employment with an employer enrolled in the Foundation after the reduction or termination of the IV disability pension, the obligation to be insured with the Foundation shall arise no earlier than three years after the reduction or termination of the IV disability pension took effect. If the Federal Disability Insurance continues to pay interim benefits pursuant to Article 32 of the Federal Disability Insurance Act (IVG) beyond this three-year period, the obligation to be insured with the Foundation begins when the entitlement to interim benefits ceases.

b) For recipients of IV disability pensions in part-time employment before the reduction or termination of the IV disability pension who increase their degree of employment with an employer enrolled in the Foundation after the reduction or termination of the IV disability pension or who take up new part-time employment with another employer enrolled in the Foundation in addition to the existing part-time employment, the obligation to insure the new salary shall arise no earlier than three years after the reduction or termination of the IV disability pension took effect. If the Federal Disability Insurance continues to pay interim benefits pursuant to Article 32 IVG beyond this three-year period, the obligation to be insured with the Foundation for the new salary begins when the entitlement to interim benefits ceases.

c) For recipients of IV disability pensions who were in part-time employment with another employer before the reduction or termination of the IV disability pension and who take up employment with an employer enrolled in the Foundation after the reduction or termination of the IV disability pension, the following applies:

I If an employer recruits an employee who would ordinarily be subject to compulsory insurance under Section 3.1 but whose insurance has been provisionally continued with another pension provider pursuant to Article 26a BVG, the AHV-relevant salary paid by the employer is divided into two parts.
II The portion of the salary which corresponds to the salary earned most recently from the previous employment is insured in accordance with these Pension Rules in the same way as a recipient of a partial disability pension is insured by the Foundation, provided that the employee is subject to compulsory insurance on the basis of this portion of his or her salary pursuant to Section 3.1.
III The obligation to be insured with the Foundation for the salary in excess of this amount shall arise no earlier than three years after the reduction or termination of the IV disability pension took effect. If the Federal Disability Insurance continues to pay interim benefits pursuant to Article 32 IVG beyond this three-year period, the obligation to be insured with the Foundation for the new salary begins when the entitlement to interim benefits ceases.
IV These rules also apply if the employee's insurance is provisionally continued pursuant to Article 26a BVG by the Foundation itself rather than by another pension provider.

3.3. Maintenance of pension cover after normal retirement age

3.3.1 General information

There are three options for maintaining pension cover:
a) Deferral of retirement benefits without savings and risk contributions (option A)
b) Deferral of retirement benefits with savings contributions but without risk contributions (option B)
c) Deferral of retirement benefits with savings and risk contributions (option C)

3.3.2 Deferral of retirement benefits without savings and risk contributions (option A)

1. Option A is possible in every pension scheme.

2. Retirement credits are not insured. The retirement pension is calculated on the basis of the retirement assets accrued at normal retirement age and earning interest until the actual retirement date.

3. If the insured person dies due to accident or illness during the term of option A, the provisions on the death of a retiree shall apply mutatis mutandis. Notwithstanding the provisions on the death of a retiree and any differing provisions in the SR, the widow's or widower's pension and the life partner's pension shall amount to 60 percent and the orphan's pension to 20 percent of the retirement pension that the insured person would

have received at the time of death. Furthermore, contrary to Section 4.3.9 and Section 4.3.11, neither a lump-sum death benefit from purchases nor an additional lump-sum death benefit is insured, even if the SR provide for such benefits for the period before retirement. A lump-sum death benefit from repayment of unappropriated retirement assets pursuant to Section 4.3.10 also is not insured.

3.3.3 Deferral of retirement benefits with savings contributions but without risk contributions (option B)

1. Option B is only possible if the employer has declared in writing to the Foundation that the deferral of retirement benefits with savings contributions but without risk contributions (option B) is insured for the pension scheme or if option C has been provided for the pension scheme.

2. The retirement credits stipulated in the SR for age 65 are insured. The retirement pension is calculated on the basis of the retirement assets accrued and earning interest until the actual retirement date.

3. If the insured person dies due to illness or accident during the term of option B, the survivors' benefits are based on Section 3.3.2 paragraph 3.

3.3.4 Deferral of retirement benefits with savings and risk contributions (option C)

1. Option C is only possible if the employer has declared in writing to the Foundation that the deferral of retirement benefits with savings and risk contributions (option C) is insured for the pension scheme or if the applicable SR provide for the option of maintaining pension cover. If option C is permitted for the pension scheme, option B is also available to the insured persons.

2. The retirement credits stipulated in the SR for age 65 are insured. The retirement pension is calculated on the basis of the retirement assets accrued and earning interest until the actual retirement date.

3. If the insured person dies during the term of option C as a result of illness, the survivors' benefits are based on the SR for the period before retirement.

4. If the insured person dies due to an accident during the term of option C, the provisions on the death of a retiree shall apply mutatis mutandis. Notwithstanding the provisions on the death of a retiree and any differing provisions in the SR, the widow's or widower's pension and the life partner's pension shall amount to 60 percent and the orphan's pension to 20 percent of the retirement pension that the insured person would have received at the time of his or her death. In addition – unlike with option A and B – both a lump-sum death benefit from purchases and an additional lump-sum death benefit can be insured as long as this is provided for in the SR for the period before retirement. A lump-sum death benefit from repayment of unappropriated retirement assets pursuant to Section 4.3.10 is also insured.

3.3.5 Common provisions for the three options

I Requirements on the part of the insured person

The insured person is not 70 percent or more disabled, his or her employment relationship with the employer enrolled in the Foundation is maintained beyond the normal retirement age, he or she has reached the minimum salary level (eligibility threshold) and he or she is not drawing the full retirement benefits at the start of the period of continued insurance.

Continued insurance is not available to people who only take up employment with the employer enrolled in the Foundation after reaching the normal retirement age.

If the conditions for the option requested by the insured person are met, the insured person must request the transfer using a special form. If the Foundation has not received the form before the actual entitlement to retirement benefits arises, the insured person will be retired.

II When the entitlement to retirement benefits arises

The insured person becomes entitled to the retirement benefits when his or her employment relationship with the employer enrolled in the Foundation is terminated or his or her salary permanently falls below the minimum level (eligibility threshold), but no later than when he or she reaches the age of 70.

III Partial retirement

Partial retirement is possible under the provisions of these Pension Rules.

IV Benefits in the event of incapacity/disability

Incapacity/disability benefits are not insured. If the insured person becomes unable to work, the retirement benefits are paid out after six months at the latest.

V Purchases

Purchases are possible. However, the purchase may not exceed the maximum amount specified in the SR which is permitted until the insured person reaches normal retirement age, minus the retirement assets already accrued at the time of the purchase.

VI Home-ownership promotion (WEF)

Early withdrawal and pledging for home-ownership promotion (WEF) are not permitted. Early withdrawals made before the start of the period of continued insurance may no longer be repaid. Any pledges existing at the start of the period of continued insurance remain in effect where they apply to retirement or survivors' benefits that continue to be insured.

VII Unpaid leave

Suspension or continuation of insurance during a period of unpaid leave is not permitted.

VIII Divorce

Distribution or receipt of pension assets owing to a divorce is permitted, as are repurchases. The details are set out in Appendix 3 "Provisions on pension settlements in the event of divorce".

IX Establishment and termination of the enrolment (collective entry and departure)

Upon establishment of the enrolment, the continued insurance of a corresponding group of employees from the previous pension provider is only possible within the scope of the Foundation's Pension Rules.

Upon termination of the enrolment, the group of employees with continued pension insurance is transferred to the new pension provider, provided that it expressly agrees to accept them. Otherwise this scenario triggers entitlement to retirement benefits.

3.3.6 Switching between the options

1. It is not possible to switch from option A to another continuation option.

2. If the insured person is in option B, he or she can switch to option A or – if provided for by the employer for the pension scheme – to option C.

3. If the insured person is in option C, he or she can switch to option A or option B and – if desired later – from option B to option A.

4. It is not possible to switch back and forth between options B and C. Insured persons can switch once and must apply for this using a special form.

3.4. Voluntary insurance

1. Self-employed people without staff can insure themselves with the Foundation voluntarily if an agreement on the provision of occupational pension benefits has been reached between the professional association they belong to and the Foundation.

2. Self-employed employers can arrange voluntary insurance cover under their employees' pension scheme. The corresponding SR and GTC apply mutatis mutandis.

3. The employer must notify the Foundation in writing on its own initiative if it remains the only insured person in the pension scheme due to the departure of all its employees and there is no longer any prospect that it will again have employees requiring insurance within a foreseeable period of time. Insurance cover will be terminated at the end of the calendar year following the departure of the last insured employee and the departure will be handled as a vested benefits case, provided that the insured employer does not apply for early retirement. The employer is solely liable for any consequences of a breach of the reporting obligation (in particular for claims by tax authorities). Recourse against the Foundation is excluded.

4. Employees not subject to the insurance obligation by virtue of the law or the Pension Rules cannot arrange voluntary cover with the Foundation.

5. Pension cover cannot be continued on a voluntary basis after leaving the pension scheme, except as provided for in the provisions on the continuation of insurance during a period of unpaid leave.

3.5. Continued insurance in the event of termination of employment after reaching the age of 58

1. If the employment contract has been terminated by the employer and the insured person has reached the age of 58 at the time of termination, he or she may request continued insurance in the occupational pension until he or she reaches the normal retirement age at the latest in accordance with the provisions in Appendix 4.

2. The request must be made using a special form and addressed to the Foundation via the employer.

3.6. Industry-specific early retirement models

1. If there is a cooperation agreement between the Foundation and the supporting foundation of a professional sector regarding flexible retirement as part of an early retirement model, insured persons who give up their employment relationship or reduce their degree of employment to such an extent that they are no longer subject to compulsory insurance under occupational pension law (because their salary falls below the eligibility threshold) can transfer to the relevant early retirement model as individual members of the Foundation. Such industry-specific early retirement models are governed by Appendix 4.

2. If the insured person only reduces his or her degree of employment so far that the insurance obligation continues to apply under occupational pension law (i.e. the salary does not fall below the eligibility threshold) and he or she receives a reduced bridging pension from the supporting foundation of the professional sector, the insured person will remain insured in the employer's pension plan (SR). Appendix 4 does not apply in this case. The amount and form of the retirement credits paid by the supporting foundation of the professional sector are based on the supporting foundation's regulations. The Foundation is not liable for benefits provided by the supporting foundation of the professional sector. The Foundation incorporates the retirement credits paid by the supporting foundation of the professional sector as elective retirement assets and pays interest on them accordingly.

3.7. Acceptance

1. The employer must file an application with the Foundation for acceptance of all persons requiring insurance using the appropriate application form. Persons to be insured will be issued with an individual pension certificate detailing their position under employee benefits legislation on acceptance and on any change affecting them.

2. If the persons to be insured have retirement assets, they shall arrange for the transfer value on departure from their former pension scheme (including indications of any advance withdrawals or pledges), together with any existing assets with a vested benefits institution, to be transferred to the Foundation. The Foundation may itself request payment of the transfer value at the expense of the insured person.

3.8. The disclosure obligation and the consequences of breaching it

1. The employer and the insured person are required to answer the questions in the application form and the health questionnaire accurately and in full.

2. If the employer or the insured person give false answers or conceal or misrepresent relevant facts or circumstances of which they are or should be aware, the Foundation is authorised to reduce all insured benefits or those of its choice to the minimum benefits under the BVG as of the date of its choice, provided that it notifies the insured person accordingly in writing within six months of becoming aware of the fact. The pension protection acquired with the transfer value may not be reduced in the process. The Foundation is entitled to do this regardless of whether or not the fact or circumstance concealed or misrepresented is connected with the onset of the insured risk or the extent of the health impairment which occurred.

3. The Foundation may also reduce insured benefits for the future or retroactively; however, such retroactive

reductions may not predate the commencement of definitive insurance cover.

3.9. Insurance cover

1. Subject to the following paragraphs, the Foundation grants insured persons cover in accordance with the SR applicable to the relevant category of persons throughout the term of the insurance.

2. Subject to any provision of the SR to the contrary, persons enrolled in the insurance enjoy death and disability cover from 1 January after they reach the age of 17, plus pension entitlements from 1 January after they reach the age of 24.

3. Acceptance for insurance is initially only provisional. This means that the Foundation will pay benefits only for claims whose causes do not lie in the period before insurance cover commenced. The minimum benefits under the BVG are guaranteed for claims during the provisional insurance cover even if the damage to the insured person's health underlying these claims occurred before the commencement of insurance cover. The Foundation may, in accordance with its guidelines or with the requirements of Allianz Suisse Life, make definitive acceptance conditional on a medical report or the outcome of a medical examination. Insurance cover pursuant to the applicable SR becomes definitive as soon as the Foundation issues a statement to that effect.

4. If the information or documentation requested is not delivered to the Foundation within 90 days, the Foundation is entitled to reduce the insured benefits to the minimum BVG benefits.

5. Restriction of definitive insurance cover in consequence of impaired health takes the form of a retention lasting a maximum of five years. This period is reduced by any elapsed retention period imposed by the former insurer in respect of the insurance cover acquired with the deposited vested benefits. The minimum benefits under the BVG cannot be restricted.

6. If, during the retention period, the health impairment to which it relates leads to incapacity, disability or death, only the minimum BVG benefits are payable, regardless of the period for which the retention applied and notwithstanding the elective benefits specified in the pension plan.

7. Where the Pension Rules provide for increases in benefits, in particular due to significant salary increases, the foregoing provisions apply mutatis mutandis in respect of the increases.

8. If insurance cover is discontinued in consequence of the termination of the employment contract before retirement or because the salary of the insured person falls permanently below the minimum level (entry threshold), death and disability cover under the Pension Rules remains in force until new insurance cover takes effect or until one month has elapsed, whichever is the sooner (extended cover).

9. If the Foundation takes over benefit obligations for persons already receiving benefits from a previous insurer, such persons are not considered to be insured persons or pensioners under these regulations with respect to the nature, conditions and amount of insured benefits. Their benefits, particularly prospective future benefits, are governed by a separate contract between the Foundation and the previous insurer.

3.10. Suspension or continuation of insurance during unpaid leave

1 The insurance is suspended during periods of unpaid leave lasting more than one month unless the Foundation is informed before the start of the unpaid leave that the insurance is to be maintained.

2 The insured person has the option to request continuation either with the insured benefits unchanged or only with the insured benefits for the risks of death and disability unchanged.

3 The continued insurance cover is limited to a maximum of one year. After that, insurance cover is suspended.

4 If insurance cover is maintained, the contributions must be paid in full by the insured person, though the employer remains formally responsible to the Foundation for their payment.

5 The insured person must submit the corresponding request to the Foundation before the start of the unpaid leave.

6 No insurance cover exists during the period of suspension.

7 Where an insured person maintains their pension cover after reaching the normal retirement age, the suspension or continuation of the insurance during a period of unpaid leave is not permitted.

4. Benefits

4.1. Requirements for partial liquidation of the pension scheme

1. According to the model stipulated by the occupational pensions expert, the SR must be structured in such a way that
   a) the total contributions for all insured employees that serve to finance retirement benefits do not account for more than 25 percent of all salaries subject to AHV – maximised to ten times the upper BVG limit and – if the employer is also insured – do not exceed 25 percent of the – accordingly maximised – salary subject to AHV per year; or
   b) the benefits provided for in the SR do not exceed 70 percent of the last salary or income subject to AHV before retirement – maximised to ten times the upper BVG limit.

2. In addition, the retirement benefits under the applicable SR, together with those paid under the AHV and other domestic insurance arrangements, must not exceed 85 percent of the last salary or income subject to AHV prior to retirement between one and ten times the upper BVG limit.

3. Insured benefits are governed by the following provisions, subject to any provision to the contrary in the SR.

4.2. Retirement benefits

4.2.1. Normal retirement

1. Insured persons are entitled to retirement benefits from the first day of the month after they reach normal retirement age.

2. The normal retirement age corresponds to the reference age defined in Article 21 paragraph 1 AHVG, which is currently 65 for men and for women born in 1964 or later. Women born in 1961, 1962 and 1963 (transitional generation) reach normal retirement age as follows:

a) Women born in 1961: on reaching the age of 64 and three months
b) Women born in 1962: on reaching the age of 64 and six months
c) Women born in 1963: on reaching the age of 64 and nine months

Women born in 1960 or earlier reach normal retirement age when they turn 64.

3. Reaching normal retirement age does not confer entitlement to retirement benefits if the insured person remains in employment and has chosen an option for continued pension cover after reaching the normal retirement age.

4.2.2. Early or partial retirement

1. Insured persons may take partial or total early retirement at the earliest on reaching the age of 58, thus drawing all or part of their retirement benefits early. Partially disabled insured persons cannot draw the passive portion of their retirement assets early.

2. For the first partial retirement step, the salary reduction and retirement benefits drawn must amount to at least 20 percent. The proportion of the retirement benefits drawn in a partial retirement step must not exceed the proportion of the salary reduction.

3. The proportion of the salary reduction is determined on the basis of the AHV salary that the insured person earns from the employer enrolled in the Foundation. Partial retirement is ruled out if the salary reduction is merely temporary, but not in the event of a subsequent increase in the degree of employment that was not foreseeable at the time of the initial partial retirement step.

4. A maximum of five partial retirement steps are possible.

5. If, as a result of a partial retirement step, the remaining annual salary falls below the minimum salary stipulated in the SR (eligibility threshold) due to the salary reduction, the full retirement benefits must be drawn.

6. The entire remaining retirement benefits must be drawn and the insured person fully retired by the fifth partial retirement step at the latest.

7. Lump-sum payments may only be taken for a maximum of three steps. The lump-sum payments are taxed in accordance with the statutory requirements and tax authority practice. The insured person is responsible for clarifying the consequences under tax law. The Foundation accepts no liability in this regard.

8. The entitlement to retirement benefits based on the proportion of retirement assets corresponding to the reduction in working hours begins on the first day of the month after the reduction in working hours and, in the case of the final partial retirement step, after the termination of the employment contract.

9. If the employment contract is terminated between the earliest possible retirement age and normal retirement age, but the insured person does not wish to take early retirement, he or she will receive a departure benefit. Once the insured person has reached normal retirement age, termination of the employment contract will result in retirement.

10. Insured persons drawing all their retirement benefits must entirely terminate their employment contract. Where part of the retirement benefits is taken early as a result of a reduction in working hours (partial retirement), the insured person's previous annual salary must be reduced accordingly. Unless the SR contain provisions to the contrary for partial retirement, the reduced salary continues to be insured with the coordination deduction being adjusted accordingly.

11. The provisions of the SR relating to the coordination deduction for part-time employment also apply to partial retirement.

12. In the event of partial retirement before normal retirement age, the BVG retirement assets as per the BVG shadow account are reduced prior to the early withdrawal in the same proportion as that of the retirement assets drawn early to total retirement assets.

4.2.3. Retirement pension

1. On full or partial retirement, insured persons are entitled to a pension for life.

2. On normal retirement, the amount of the annual retirement pension is determined by applying the conversion rates applicable at the time to the retirement assets credited to the insured person up to that time.

3. In the event of early retirement, the annual retirement pension is determined by multiplying the retirement assets accrued at the time with the reduced conversion rate applicable at the time.

4.2.4. Retirement capital instead of a pension

1. Instead of drawing a retirement pension, insured persons may draw some or all of the retirement assets that would determine their pension as a lump sum, subject to the statutory three-year blocking period on drawing benefits from purchases. Any remaining retirement assets are paid out as a pension.

2. If insured persons wish to draw all or part of their retirement assets as a lump sum, they must make a corresponding written declaration before they effectively become entitled to retirement benefits. The declaration is regarded as having been revoked if the written revocation reaches the Foundation before the entitlement to retirement benefits takes effect.

3. In the event of partial retirement, the application for the payment of all or part of the retirement capital as a lump sum is also valid for a further partial-retirement stage until full retirement, unless the request is revoked in sufficient time.

4. If the insured person is married or living in a registered partnership pursuant to the PartG, the lump-sum payment is subject to the written consent of his or her spouse or registered partner. If such consent cannot be obtained or is refused, the insured person may take the matter to court.

5. A retirement pension paid in continuation of a disability pension can also be commuted to a lump sum. This applies in particular even if, as a result of a deferred claim to payment of pensions or as a result of over-insurance, no disability pension is paid. In all other respects, paragraphs 1 to 4 shall apply.

4.2.5. Pension for a child of a retired person

1. Recipients of retirement pensions are entitled to a pension for each child – provided that the child would be entitled to an orphan's pension in the event of their

death – in the amount of 20 percent of the current retirement pension from the commencement of their retirement pension.

2. Such a pension terminates when the child is no longer entitled to it or when payment of an orphan's pension begins.

4.3. Survivors' benefits

4.3.1. Entitlement conditions

1. Survivors' benefits are payable if the insured person:
   a) was insured at the time of his or her death under the applicable SR, or
   b) was insured under the applicable SR at the commencement of the incapacity of at least 20 percent which led to his or her death, or
   c) was already receiving a retirement or disability pension from the Foundation under the applicable SR at the time of his or her death, or
   d) was at least 20 percent but less than 40 percent incapacitated due to a birth defect on taking up gainful employment and was insured under the applicable SR when the incapacity that led to his or her death increased to at least 40 percent, or
   e) became incapacitated as a minor and was therefore at least 20 percent but less than 40 percent incapacitated on taking up gainful employment and was insured under the applicable SR when the incapacity that led to his or her death increased to at least 40 percent.

2. The entitlement to a survivor's pension does not come into force until salary continuation in accordance with Article 338 OR has terminated.

4.3.2. Surviving spouse's (widow's and widower's) pensions

1. On the death of the insured person, the surviving spouse is entitled to a widow's/widower's pension regardless of age, the duration of the marriage and the number of children.

2. The entitlement to a widow's/widower's pension ceases on the death of the surviving spouse. If the surviving spouse remarries or enters into a registered partnership pursuant to the PartG before reaching the age of 45, the entitlement to a widow's/widower's pension also ceases. However, he/she shall be eligible for the payment of a lump sum equal to three times the annual widow's/widower's pension.

3. Amount and commencement date

   a) The annual widow's/widower's pension upon the death of a retiree is 60 percent of the current retirement pension. In the event of the death of an insured person with continued insurance after reaching the normal retirement age, it is based on Section 3.3.2 paragraph 3 for options A and B and Section 3.3.4 paragraph 3 or 4 for option C. On the death of an insured person in the other cases, it is based on the SR.
   b) The entitlement to a widow's/widower's pension commences on the date of the insured person's death. If the deceased was receiving a retirement or disability pension, the entitlement commences on the first day of the calendar month following his or her death.

4.3.3. Pensions for surviving registered partners pursuant to the PartG (partner's pensions)

The provisions governing the pension for surviving spouses (widow's/widower's pension) also apply to partner's pensions.

4.3.4. Pensions for surviving life partners (life partner's pensions)

1. The surviving life partner is entitled to a life partner's pension if the insured person dies before retirement and all the conditions listed below are met at the time of the insured person's death:

   a) The surviving life partner cohabited exclusively with the insured person at the time of the latter's death.
   b) The cohabitation relationship existed without interruption for the last five years of the insured person's life or the surviving life partner was responsible at the time of the insured person's death for the maintenance of at least one acknowledged, joint child in accordance with Article 60 ff. ZGB.
   c) There were no legal obstacles to the marriage of the surviving life partner and the insured person or to the registration of a partnership between them pursuant to the PartG.
   d) At the time of death neither the surviving life partner nor the insured person was married or a member of a registered partnership pursuant to the PartG.
   e) The surviving life partner is not receiving an occupational survivor's pension (widow's/widower's pension, partner's pension, life partner's pension) and is not otherwise entitled to pensions of a similar nature from domestic or foreign insurers; this means survivor's pensions or entitlements to such pensions which were already current or already existed at the time of the insured person's death.

   f) The surviving life partner who is supposed to be entitled to a pension was notified to the Foundation by the insured person prior to the latter's death by submitting the special form for this purpose. The form must have been signed by the insured person.

2. If the insured person dies after retirement, the entitlement only exists if the insured person received a retirement pension until his or her death and the entitlement requirements pursuant to paragraph 1 letters a to f are met at the time of death..

3. The annual life partner's pension upon the death of a retiree is 60 percent of the current retirement pension. In the event of the death of an insured person with continued insurance after reaching the normal retirement age, it is based on Section 3.3.2 paragraph 3 for options A and B and Section 3.3.4 paragraph 3 or 4 for option C. On the death of an insured person in the other cases, it is based on the SR.

4. The entitlement arises when compliance with all preconditions in paragraphs 1 or 2 has been proven and commences at the earliest on the date when the insured person dies. If the deceased was receiving a retirement or disability pension, the entitlement commences no earlier than the first day of the calendar month following his or her death.

5. Claims must be lodged in writing with the Foundation by the beneficiary within a year of the insured person's death, enclosing evidence that all the preconditions in accordance with paragraph 1 or 2 have been met.
If the claim is not lodged or the required evidence not produced within this period, entitlement is forfeited.

6. If the insured person notified the Foundation or Allianz Suisse Life of a series of successive cohabitation relationships, all except the last are deemed to have been dissolved. Notification of multiple cohabitation relationships is not permitted.

7. The entitlement to a life partner's pension ceases when the beneficiary dies. If the surviving spouse remarries or enters into a registered partnership pursuant to the PartG before reaching the age of 45, the entitlement to a widow's/widower's pension also ceases. However, instead of the pension he/she shall be eligible for the payment of a settlement equal to three times the annual pension. All circumstances leading to the cessation of an entitlement must be reported to the Foundation without delay.

4.3.5. Pension reductions

1. If the person entitled to a pension is more than 10 years younger than the deceased person, the widow's/widower's pension, the partner's pension and the life partner's pension are reduced by one percentage point for each year or part of a year by which the age difference exceeds 10 years.

2. If the insured person married or entered into a registered partnership pursuant to the PartG after reaching the age of 65, the pension is reduced to the following percentage rates:
   a) Marriage/registration at the age of 66: 80 percent
   b) Marriage/registration at the age of 67: 60 percent
   c) Marriage/registration at the age of 67: 40 percent
   d) Marriage/registration at the age of 68: 20 percent

   The pensions thus reduced are further reduced in accordance with paragraph 1.

3. If the insured person married or entered into a registered partnership pursuant to the PartG after reaching the age of 69, there is no pension entitlement.

4. If the insured person married or entered into a registered partnership pursuant to the PartG after reaching the age of 65 while suffering from a serious sickness of which he or she must have been aware, no pension is payable if the insured person dies of that sickness within two years of marrying or entering into a registered partnership pursuant to the PartG.

5. The reduction rules pursuant to paragraphs 2 to 4 also apply to life partner's pensions, whereby the start of the cohabitation applies instead of the date of marriage or registration pursuant to the PartG.

6. However, in terms of amount, the pensions for surviving spouses, registered partners and life partners do not fall below the statutory widow's or widower's pension or the one-off lump-sum settlement within the scope of the minimum benefits pursuant to the BVG in the event of a reduction in accordance with the above paragraphs.

7. If the insured person married or entered into a registered partnership pursuant to the PartG after reaching the age of 65 and the surviving spouse or partner pursuant to the PartG would have been entitled to a life partner's pension at the time of the insured person's death had he or she not married or entered into a registered partnership pursuant to the PartG, the pension for the surviving spouse (widow's pension) or the surviving partner (partner's pension) shall be equal in terms of amount to this life partner's pension.

4.3.6. Commuting a widow's/widower's, partner's or life partner's pension

In the event of the death due to illness of an insured person prior to retirement or a disability pension recipient, the beneficiary may request payment of the entire benefits as a lump sum instead of the widow's/widower's, partner's or life partner's pension. In the event of the death of a retiree or of an insured person with continued insurance after reaching the normal retirement age, this option exists regardless of whether the death occurred as a result of illness or accident. The corresponding request must be submitted before receipt of the first pension payment. The amount of the lump sum shall be calculated in accordance with Allianz Suisse Life's collective rate schedule. If the beneficiary is under 45 years of age and provided that the amount of the pension is non-trivial, the lump sum is reduced by 3 percent for every year or part of a year by which his or her age is less than 45. In the event of a reduction, however, a lump sum equal to at least four years' unreduced pension payments is payable. If the amount of the pension is trivial, its net present value is payable.

4.3.7. Survivors' benefits for divorced spouses or former partners after the legal dissolution of the registered partnership

1. After the death of their former spouse or their registered partner, divorced spouses or former registered partners are placed on an equal footing with widows or widowers, provided that
   a) the marriage or registered partnership lasted for at least 10 years and
   b) a pension pursuant to Article 124e paragraph 1 or 126 paragraph 1 ZGB was awarded in the divorce decree or a pension pursuant to Article 124e paragraph 1 or Article 34 paragraphs 2 and 3 PartG was awarded in the dissolution decree.

2. If the preconditions pursuant to paragraph 1 or 2 have been met, divorced spouses or former registered partners are entitled to the minimum BVG widow's/widower's pension.

3. The entitlement to a widow's/widower's pension ceases on remarriage, entry into a registered partnership pursuant to the PartG or death. However, the entitlement to the widow's/widower's pension only lasts for as long as the pension awarded by the court would have been payable.

4. The survivors' benefits are reduced by the amount by which they, together with the survivors' benefits from the AHV, exceed the entitlement under the divorce settlement or the ruling on the dissolution of the registered partnership. In the process, AHV survivors' benefits are only taken into account to the extent that they are higher than the recipient's own entitlement to an IV disability pension or an AHV retirement pension.

4.3.8. Orphan's pension

1. Children are entitled to an orphan's pension:
   a) up to the maximum age defined in the SR
   b) beyond the maximum age defined in the SR if they spend the majority of their time in education, up to a maximum age of 25
   c) beyond the maximum age defined in the SR if the child is at least 40 percent disabled up to a maximum age of 25

2. Qualifying children of the insured person are entitled to an orphan's pension from the day of his or her death. If the deceased was receiving a retirement or disability pension, the entitlement commences on the first day of the calendar month following his or her death.

3. The annual orphan's pension upon the death of a retiree is 20 percent of the current retirement pension. In the event of the death of an insured person with continued insurance after reaching the normal retirement age, it is based on Section 3.3.2 paragraph 3 for options A and B and Section 3.3.4 paragraph 3 or 4 for

option C. On the death of an insured person in the other cases, it is based on the SR.

4. If a child entitled to a pension dies, the pension entitlement lapses. In the other cases, the pension entitlement ceases when the grounds for it no longer apply.

5. Subject to any provision to the contrary in the SR, the pension entitlement ceases at the end of a month.

4.3.9. Lump-sum death benefit from purchase

1. If the SR contain a provision for the return of benefits purchased as an additional lump-sum death benefit, on the death of the insured person before full retirement the total additional benefits purchased by him or her (without interest) are paid out as a lump-sum death benefit. This amount is reduced in the event of partial retirement, pension settlements following a divorce and WEF early withdrawals. Notwithstanding any SR to the contrary, where an insured person has chosen option A or B of continued pension cover after reaching the normal retirement age, no lump-sum death benefit from purchases can be insured.

2. Purchases eligible for inclusion are those set out in the Pension Rules and purchases for early retirement. Only additional benefits purchased from the Foundation on or after the date on which the relevant SR regulation came into effect are taken into account. If the SR additionally stipulate that earlier purchases must also be taken into account, a distinction must be drawn between purchases made with the Foundation and those made with a previous pension scheme. Purchases made with the Foundation will be taken into account automatically. However, those made with a previous pension scheme will only be taken into account if the insured person reports them to the Foundation, along with appropriate proof, within 60 days of the entry into force of the relevant SR provision. For newly admitted insured persons whose SR stipulate that earlier purchases must also be taken into account in the additional lump-sum death benefit from purchases, the 60-day period commences upon their admission.

3. In the case of new employers joining the scheme whose previous pension plan included provision for a corresponding return, the purchases made previously by insured persons are also taken into account under these regulations, provided that the SR stipulate that earlier purchases must also be taken into account. However, this is only done on the condition that (at the request of the Foundation) the previous pension scheme or its insurer provides notification of the purchases by all insured persons to be included within 60 days of the start of the enrolment. Purchases made with a different pension scheme than the previous one will also be taken into account if the insured person reports them to the Foundation, along with appropriate proof, within 60 days of the start of the enrolment.

4. The entitlement to the lump-sum death benefit is based on Section 4.3.10 paragraphs 2 to 4.

4.3.10. Lump-sum death benefit from repayment of unappropriated retirement assets

1. If an insured person dies as a result of illness or accident before full retirement, then the retirement assets available at the end of the month of death, provided that they exist and have not been paid out or used to finance another death benefit, are paid out as a lump-sum death benefit in the following proportions: 100 percent in cases pursuant to paragraph 2 a) to e), 50 percent in cases pursuant to paragraph 2 f). Notwithstanding any SR to the contrary, where an insured person has chosen option A or B of continued pension cover after reaching the normal retirement age, no lump-sum death benefit from repayment of unappropriated retirement assets is insured.

2. Notwithstanding inheritance law, the following persons qualify as beneficiaries in the following order of priority:
   a) the surviving spouse or registered partner; in his or her absence
   b) the surviving life partner who meets the conditions for entitlement set out in Section 4.3.4 paragraph 1 a) to e); this is subject to the condition that the surviving life partner who is supposed to be entitled to the lump-sum death benefit was registered with the Foundation by the insured person prior to the latter's death using the special form for this purpose signed by the insured person; in his or her absence
   c) the children in accordance with Section 2.7 a); in their absence
   d) the parents; in their absence
   e) the siblings; in their absence
   f) the remaining legal heirs, to the exclusion of the community.

3. The insured person has the option to deviate from the order of priority in accordance with paragraph 2 by submitting a special form (declaration of beneficiary status) to the Foundation. The declaration of beneficiary status must be signed by the insured person and received by the Foundation before the insured person's death. The declaration of beneficiary status can be revoked in writing. The revocation must be received by the Foundation before the insured person's death. Notwithstanding inheritance law, the following persons qualify as beneficiaries in the following order of priority if a valid declaration of beneficiary status has been received:

   a) The children entitled to a pension in accordance with Section 2.10 a); in their absence
   b) The surviving spouse or registered partner; in his or her absence
   c) The surviving life partner who meets the conditions for entitlement set out in Section 4.3.4 paragraph 1 a) to e); this is subject to the condition that the surviving life partner who is supposed to be entitled to the lump-sum death benefit was registered with the Foundation by the insured person prior to the latter's death using the special form for this purpose signed by the insured person; in his or her absence
   d) The children who are not eligible for a pension pursuant to Section 2.10 a); in their absence
   e) The parents; in their absence
   f) The siblings; in their absence
   g) The remaining legal heirs, to the exclusion of the community.

4. If a group includes more than one beneficiary, the lump-sum death benefit is divided among them individually.

4.3.11. Additional lump-sum death benefit

1. If provided for in the SR, an additional lump-sum death benefit is payable on the death of the insured person before full retirement pursuant to the SR. Entitlement is as set out in Section 4.3.10 paragraphs 2 to 4. Notwithstanding any SR to the contrary, where an insured person has chosen option A or B of continued pension cover after reaching the normal retirement age, no additional lump-sum death benefit can be insured.

2. If persons obliged to pay maintenance are insured, the persons defined in Section 4.3.10 paragraph 2 a) and

b) and the children eligible for a pension are entitled to the lump-sum death benefit insured in accordance with paragraph 1.

4.4. Benefits in the event of incapacity/disability

4.4.1. Entitlement conditions

Benefits are payable if the insured person:

a) was insured under the applicable SR at the commencement of the incapacity which led to his or her disability, or
b) was at least 20 percent but less than 40 percent incapacitated due to a birth defect on taking up gainful employment and was insured under the applicable SR when the incapacity that led to his or her disability increased to at least 40 percent, or
c) became disabled as a minor and was therefore at least 20 percent but less than 40 percent incapacitated on taking up gainful employment and was insured under the applicable SR when the incapacity that led to his or her disability increased to at least 40 percent.

4.4.2. Benefit amounts

1. Unless stipulated otherwise in the SR, the level of benefits is based on the benefit entitlement scale in paragraph 3. The degree of disability reflects the loss of income due to impaired health by comparing the theoretical income after the onset of disability with the income that would have been hypothetically possible if the insured person's health had not been impaired. The degree of disability, however, cannot exceed the maximum degree of disability set by the IV for persons in gainful employment.

2. Where benefits in excess of the minimum benefits under the BVG are insured, the Foundation may deviate from the degree of disability set by the IV. It may also deviate from the degree of disability set by the IV if the IV does not notify the Foundation in advance of the degree of disability or the degree of disability determined proves to be untenable.

3. The amount of the disability pension is defined in percentage shares of a whole pension. Entitlement to benefits is graduated as follows:
   a) disability of 70 percent or more: full benefits
   b) disability of at least 50 percent but less than 70 percent: the percentage share equals the degree of disability
   c) disability of at least 40 percent but less than 50 percent: in this case, the percentage shares in the following table are applied:

Degree of disability in %	Percentage share
49	47.5
48	45
47	42.5
46	40
45	37.5
44	35
43	32.5
42	30
41	27.5
40	25

   d) disability of less than 40 percent confers no entitlement to benefits.

4. The Foundation may call on its independent medical examiner to determine incapacity and its degree.

5. In the event of an insured person's incapacity or disability, his or her benefits are based on the last salary reported by the employer before the onset of the incapacity or disability.

4.4.3. Exemption from the obligation to pay contributions

1. If an insured person is at least 40 percent incapacitated or is incapacitated at the minimum rate stipulated in the SR due to illness or accident for longer than the qualifying waiting period specified in the SR, he or she becomes exempt from the obligation to pay contributions.

2. As soon as a final ruling has been received from the IV agency, the exemption from the obligation to pay contributions shall take effect from the start date of the pension entitlement conferred by the IV agency in line with the benefit entitlement scale in Section 4.4.2. paragraph 3 or any provision to the contrary in the SR, taking into account the IV's findings with regard to the degree of disability. Until this point in time, the exemption from the obligation to pay contributions is based on a doctor's certificate attesting to the degree of incapacity. Incapacity of less than 40 percent or less than the minimum rate specified in the SR does not confer any entitlement to exemption from the obligation to pay contributions.

3. If the final ruling from the IV agency does not confer entitlement to an IV disability pension, the exemption from the obligation to pay contributions continues to be based on a doctor's certificate attesting to the degree of incapacity and shall end at the latest on the first day of the twelfth calendar month after the commencement of the incapacity.

4. If the exemption from contributions is based on a doctor's certificate attesting to the degree of incapacity, any changes to the degree of incapacity lasting fewer than 10 days are not taken into account.

5. The entitlement to the exemption from contributions ceases:
   a) as soon as the entitlement to benefits ceases, subject to the provisions on the provisional continuation of insurance and maintenance of the entitlement to benefits in the event of the reduction or termination of the IV disability pension (Article 26a BVG)
   b) at the end of the month in which the insured person dies
   c) on full retirement

6. Any excessive or excessively long exemption from payment of contributions will lead to an adjustment in contributions debited to the employer's contribution account. If insufficient exemption was given then the insured person has the right to claim reimbursement from the employer of the overpaid amounts charged by the employer.

7. The entitlement to exemption from the obligation to pay contributions is unrestricted if both the employer and the insured person fulfil their special responsibilities in the event of incapacity on time. If they do not, the Foundation may postpone the exemption from the obligation to pay contributions by the number of days equivalent to the delay in fulfilment of an individual obligation, but for no longer than the period until the commencement of the disability pension.

8. The exemption from the obligation to pay contributions in cases of disability (incapacity) is granted in cases of illness or accident.

4.4.4. Disability pension and pension for a disabled person's child

If the insured person becomes disabled before full retirement, then he or she is entitled – after the waiting period specified in the SR and subject to a delay in the entitlement – to a disability pension and a pension for each child who would be entitled to an orphan's pension in the event of the insured person's death. The level of these pensions is set out in the SR. Disability of less than 40 percent or less than the minimum rate specified in the SR does not confer any pension entitlement.

4.4.5. Commencement and cessation of entitlement

1. The entitlement to payment of pensions commences on the expiry of the waiting period specified in the SR. It is postponed for as long as the insured person draws his or her full salary or daily benefits under sickness or accident insurance equal to 80 percent of his or her lost salary. Daily benefits under sickness insurance must have been at least 50 percent jointly funded by the employer. The entitlement may also be postponed for other reasons as specified in paragraph 9.

2. If the IV pension commences before the waiting period stipulated in the SR expires and the claimant is no longer entitled to salary continuation or daily sickness/accident benefits within the meaning of paragraph 1, the Foundation pays the statutory BVG minimum until the expiry of the agreed waiting period. Benefits are subsequently paid in accordance with the SR.

3. If incapacity or disability is interrupted, the total duration of all periods of incapacity or disability due to the same cause is decisive in calculating the waiting period. If an interruption of incapacity or disability lasts longer than one-third of the waiting period specified in the SR, the waiting period starts again. Incapacity or disability is deemed to have been interrupted if its degree falls below 40 percent or the minimum rate stipulated in the SR.

4. Incapacity or disability due to a different cause counts as a new event, and a new waiting period applies. This applies even if the condition of a claimant already suffering from disability deteriorates owing to a new cause, increasing his or her degree of disability.

5. In the event of an increase in the degree of disability relevant to IV cover before the expiry of the new waiting period, the benefits shall only be increased as far as the minimum benefits under the BVG until the expiry of the new waiting period.

6. If an insured person who has received disability benefits in the past and subsequently fully resumed gainful employment or regained the capacity to work again suffers from incapacity or disability due to the same cause within one year, disability benefits are payable without a new waiting period, provided that the person concerned is still insured by the Foundation at the time. In this event the insured person's benefits are determined on the basis of the situation before the onset of his or her original incapacity.

7. The pension waiting period does not start during rehabilitation, particularly while daily benefits are being received from the IV, and any waiting period that has already started is suspended.

8. In the event of late application to the IV by the insured person, his or her pension entitlement shall commence at the earliest on the date set by the IV for its own pension to take effect.

9. If the insured person fails to apply to the IV agency for preliminary registration or to provide the requisite information or documentation in good time, the Foundation may postpone the payment of benefits or restrict them to the BVG minimum.

10. The entitlement to pensions ceases:
    a) as soon as the degree of disability falls below 40 percent or below the minimum rate specified in the SR, subject to the provisions on the provisional continuation of insurance and maintenance of the entitlement to benefits pursuant to Section 4.4.9
    b) at the end of the month in which the insured person dies
    c) when the insured person reaches normal retirement age. In terms of amount, the retirement pension to which the insured person becomes entitled on reaching normal retirement age is at least equal to the minimum BVG disability pension (reduced in accordance with the relevant legal provisions if applicable) before he or she ceased to be entitled to it.

11. The entitlement to a pension as the child of a disabled person also ceases when the grounds for it no longer apply, or with the commencement of an orphan's pension or a retired person's child's pension.

4.4.6. Retirement account of partially disabled insured persons

1. At the onset of incapacity due to the same cause as the insured person's disability, insurance is divided into a passive component (corresponding to the benefit entitlement scale in Section 4.4.2 paragraph 3 or any differing provision in the SR) and a residual active component.

2. Both the accrued retirement assets and the BVG retirement assets pursuant to the BVG shadow account are divided in the same proportion as the division in paragraph 1.

3. The active component is managed in the same way as insurance for employed persons. The threshold values specified in the SR are adjusted in line with the benefit entitlement scale pursuant to Section 4.4.2 paragraph 3 or any differing provision in the SR.

4. In the passive component, the retirement assets are maintained on the basis of the last insured salary that is reduced in accordance with the benefit entitlement scale pursuant to Section 4.4.2 paragraph 3 or any differing provision in the SR; the retirement assets are maintained as soon as and for as long as the entitlement to benefits pursuant to Section 4.4.2 paragraph 3 exists.

4.4.7. Change in the degree of disability

1. If the degree of disability increases to 100 percent or if it increases by at least five percent and the insured person is still insured under the applicable SR at the time of the increase, the disability benefits are adjusted, taking into account the provisions on waiting periods.

2. The following rule applies if an insured person for whom the entitlement conditions are met leaves the group of insured persons:
    a) If the existing degree of disability only increases to 100 percent or by at least five percent after the insured person's departure, the obligation to pay benefits continues to be determined by the prior degree of disability. If the minimum pension pursuant to the BVG shadow account increases as a result of an increase in the degree of disability, there is no entitlement to higher benefits as long as the pension in accordance with the BVG shadow account is lower than the benefit entitlement which the insured person had at the point he or she left the group of insured persons.
    b) If the degree of disability falls below 40 percent or the minimum rate stipulated in the SR, any entitlement in respect of a later increase to at

least 40 percent is limited to the pension in accordance with the BVG shadow account, assuming there is an actual entitlement vis-à-vis the Foundation under the BVG.

4.4.8. Re-evaluation

1. The Foundation may review both the conditions and the level of entitlement at any time and reduce its benefits on the basis of the outcome of the review at any time without it being necessary for the circumstances to have changed significantly or the previous benefit assessment to have proved untenable. However, the minimum BVG benefits cannot be reduced if there has been no significant change in the circumstances and the benefit assessment has not proved to be untenable.

2. If the review leads to a reduction in benefits in cases in which there is no significant change in circumstances or untenable benefit assessment, the benefit reduction takes effect on the first day of the second month following notification by the Foundation..

3. If the review leads to a reduction in benefits because the circumstances have changed, the reduction in the benefits takes effect retroactively from the date when the circumstances changed or the untenable benefit assessment was carried out. If the BVG minimum benefits cannot be reduced retroactively, the insured person is entitled to the BVG minimum benefits from the corresponding date to the date on which the minimum BVG benefits can also be adjusted, if these are higher than the benefits reduced retroactively.

4. The beneficiary may submit a written request for a review of his or her entitlement. Any increase in benefits takes effect from the first day of the month in which the notification was received.

4.4.9. Provisional continuation of insurance and maintenance of the entitlement to benefits in the event of the reduction or termination of the IV disability pension (Article 26a BVG)

1. If the insured person is entitled to disability benefits from the Foundation and the disability insurance (IV) office reduces or terminates the disability pension due to a reduction in the degree of disability, the beneficiary will remain provisionally insured with the Foundation at the same terms if he or she participated in reintegration measures in accordance with Article 8a IVG, took up employment or increased his or her degree of employment before the reduction or termination of the disability pension.

2. The insurance cover and the entitlement to benefits lapse no later than three years after the effective reduction or termination of the disability pension. If the disability insurance (IV) office continues to pay interim benefits pursuant to Article 32 IVG beyond this three-year period, the entitlement vis-à-vis the Foundation will end at the same time as the entitlement to interim benefits from the disability insurance (IV) office.

4.4.10. Disability benefits in continued pension cover after normal retirement age

If the insured person maintains his or her pension cover after reaching the normal retirement age – notwithstanding any SR to the contrary and regardless of which option he or she chooses – disability benefits are no longer insured.

4.5. Transfer value on departure

4.5.1. Preconditions and timing

If an insured person leaves the Foundation before the occurrence of an insured event (vested benefits case) or if his or her disability benefits were paid as a lump sum due to their small amount, he or she is entitled to the transfer value on departure. This is due for payment on the insured person's departure and bears interest from that point at the BVG minimum rate. If the transfer value is not transferred within 30 days of the necessary information being provided, then the interest rate increases to the arrears interest rate for the transfer value set by the Federal Council in the Vested Benefits Ordinance (FZV).

4.5.2. Amount of the transfer value on departure

1. The transfer value on departure is the highest of the following three amounts:

a) Available retirement assets (Article 15 FZG): the retirement assets accumulated during the insurance term in accordance with the SR plus previous transfer values on departure and other additional deposits such as purchases of additional benefits, including interest.

b) Minimum sum (Article 17 FZG): the vested benefits transferred for the account of the insured person and any additional deposits for the purchase of additional benefits, with interest, plus contributions made by the insured person, plus 4 percent of the contributions made by the insured person for each year by which his or her age exceeds 20 up to a maximum of 100 percent.
As prescribed by law, certain sums are deducted from the total contributions made by the insured person. These are:

I. a contribution to funding entitlements to disability benefits until the insured person reaches normal retirement age
II. a contribution to funding entitlements to survivors' benefits until the insured person reaches normal retirement age
III. a contribution to adjusting current pensions in line with inflation in accordance with Article 36 BVG
IV. a contribution to administrative costs
V. a contribution to the costs of the BVG Guarantee Fund
VI. a contribution for eliminating underfunding

c) BVG retirement assets (Article 18 FZG): the BVG retirement assets in accordance with the BVG shadow account.

2. In the event of the partial or total liquidation of the employer's company or the Foundation, actuarial shortfalls are deducted from the transfer value on departure pursuant to paragraph 1 letters a) and b) in accordance with the provisions of the Partial Liquidation Regulations and the Restructuring Regulations.

3. Transfer value calculations take account of any division of the insurance in consequence of partial disability or the partial early withdrawal of retirement benefits.

4. However, if part of the retirement assets has been withdrawn early for residential property purposes or transferred in connection with a divorce for the benefit of the occupational-pension arrangements of the divorced spouse, the amount and timing of the withdrawal or transfer are taken into account in the calculation of the transfer value.

5. If the insured person ceases to be disabled, thus losing his or her entitlement to disability benefits, after the employment contract has been terminated, he or she is entitled to the transfer value on departure equal to the current retirement assets. Similarly, the entitlement to payment of the transfer value remains if the

entitlement to disability benefits from the Foundation pursuant to Section 4.4.9 paragraph 2 expires.

4.5.3. Transfer to the new pension provider

1. If the insured person enters a new pension scheme in Switzerland or the Principality of Liechtenstein, the Foundation transfers the transfer value on departure to the new scheme.

2. If the Foundation is required to pay survivors' or disability benefits after it has transferred the transfer value, it is entitled to reimbursement to the extent of those benefits. If this is not forthcoming, it may reduce benefits.

4.5.4. Maintenance of insurance cover in another form

1. An insured person who does not enter a new pension scheme or whose annual salary is below the entry threshold or the minimum salary must maintain insurance cover in another permissible form with a vested benefits institution (vested benefits foundation or insurer) of his or her choice.

2. The departing person must inform the Foundation which vested benefits institution of his or her choice is to receive the transfer value on departure.

3. If it is not provided, the Foundation will transfer the transfer value plus interest to the Substitute Occupational Benefit Institution between six months and two years after the vested benefits event.

4.5.5. Disbursement in cash

1. The insured person may request that the transfer value be disbursed in cash, on production of the requisite documentation, if:
   a) he or she is permanently leaving Switzerland and the Principality of Liechtenstein, or
   b) he or she is taking up self-employment and is no longer subject to compulsory insurance, or
   c) the transfer value is less than the annual contributions paid in by the insured person (employee contribution).

2. If the insured person permanently leaves Switzerland and the Principality of Liechtenstein, the transfer value comprises all the retirement assets accrued by the time of his or her departure. For insured persons taking up residence in a member state of the European Union, Iceland or Norway, this applies only if they are not subject there to compulsory pension arrangements and insurance against death and disability. If they are subject to compulsory pension and insurance cover in one of the aforementioned states, however, only the surplus of their retirement assets over the BVG retirement assets pursuant to the BVG shadow account can be disbursed in cash. The BVG retirement assets may be used to set up a vested benefits policy or a vested benefits account for the insured person.

3. The part of the transfer value resulting from a purchase may not be paid out within the statutory blocking period of three years after the purchase. This period starts again with every purchase the insured person makes.

4. If the insured person is married or living in a registered partnership pursuant to the PartG, cash disbursement is subject to the written consent of his or her spouse or registered partner. If such consent cannot be obtained or is refused, the insured person may take the matter to court.

5. The Foundation may stipulate as documentation necessary for disbursement in cash an authenticated signature, confirmation of departure from the residents' registration authorities or confirmation of residence, evidence of insurance cover, evidence of an employment contract, confirmation from the AHV Compensation Office, an extract from the commercial register or other equivalent documentation.

4.6. Pension settlement in the event of divorce

1. In the course of divorce proceedings, the court determines what portion of the transfer value acquired by the insured person during the marriage and what portion of a current retirement pension is to be used for the benefit of his or her spouse's occupational pension arrangements.

2. Partners registered in accordance with the PartG have the same status as spouses with regard to pension settlements. The term "divorce" also covers the court dissolution of a registered partnership pursuant to the PartG.

3. The details are covered in Appendix 3, "Provisions in connection with pension settlements in the event of divorce".

4.7. Home-ownership promotion benefits

1. The insured person may, before reaching the normal retirement age and within the limits of the statutory possibilities, use occupational pension assets to acquire residential property for his or her own use. Such use may take the form of early withdrawal of pension assets or a pledge. The Foundation provides the insured person with an information sheet detailing the preconditions and effects of these two alternatives, highlighting in particular:
   a) the pension capital available for the purchase of residential property
   b) the benefit reductions that early withdrawal or pledging will bring
   c) the possibility of making good any deficiency in insurance cover for disability or death resulting from withdrawal or pledging
   d) the tax due on withdrawal or a pledge
   e) the entitlement to a refund of the tax paid on withdrawal or a pledge when the capital involved is repaid, together with the applicable time limit.

2. The part of the pension capital resulting from a purchase may not be withdrawn within the statutory blocking period of three years after the purchase. This period starts again with every purchase the insured person makes.

3. The Foundation provides insured persons considering withdrawal or a pledge with the information and services required by law, together with an application form.

4. If the insured person is married or living in a registered partnership pursuant to the PartG, early withdrawal, each subsequent establishment of a real-estate lien and pledging are subject to the written consent of his or her spouse or registered partner. If such consent cannot be obtained or is refused, the insured person may take the matter to court.

5. The insured person shall owe the Foundation the cost contribution for processing an application for withdrawal or a pledge as set out in Allianz Suisse Life's Cost Schedule.

6. Early withdrawals are deducted from the BVG retirement assets pursuant to the BVG shadow account to the extent permitted by law; the same applies to pledges. Repaid amounts are credited to the BVG retirement assets in the same proportion as the reduction following the early withdrawal.

7. If the insured person is disabled at the time of the application to withdraw occupational pension assets to acquire residential property, he or she is not entitled to make such a withdrawal.

4.8. Coordination of multiple benefits

4.8.1. General provisions

1. In order to prevent unjustified advantage, survivors' and disability benefits payable in addition to the other relevant benefits are restricted to 90 percent of the reported annual salary prior to the occurrence of the insured event.

2. The relevant benefits include in particular pension and capital benefits under the AHV/IV and the federal accident and military insurance (hereinafter referred to as "UV/MV"). Pensions on disability (paid to the disabled and their children) and death (widow's/widower's pensions, partner's, life partner's and orphan's pensions) are added together. Other relevant benefits also include those paid by domestic and foreign insurers and foreign social-security agencies. They do not include assistance to the destitute, severance payments or similar benefits. The coordination calculation also takes account of claims against liable third parties, and in the case of disabled persons the earned or compensation income that they have actually received or can reasonably be expected to receive, with the exception of the additional income earned during participation in reintegration measures in accordance with Article 8a IVG.

3. As part of the maintenance of the entitlement to benefits in the event of the reduction or termination of the IV disability pension pursuant to Section 4.4.9, the disability pension will only be reduced to the extent that the reduction is offset by additional income and if it does not fall below the total income that the beneficiary received before the reduction or termination of the disability pension. The Foundation's disability pension may also be reduced if and by the extent to which, in combination with the relevant benefits, it exceeds the limit for overpaid benefits defined in the Pension Rules.

4. The lump-sum death benefit from repayment of unappropriated retirement assets and the lump-sum death benefit from purchases are not included in the coordination calculation.

5. Taking account of benefits does not, however, lead to a reduction in minimum BVG benefits provided that they are not of the same kind and for the same purpose or the insured person's entitlement to them did not arise as a result of the same event or if they arose from liability claims. The BVG minimum benefits may only be reduced if together with the other relevant benefits they would exceed 90 percent of putative lost income. If the limits mentioned are not reached when other relevant benefits in respect of an event insured in accordance with federal accident or military insurance are taken into account, the maximum benefits payable by the Foundation are equal to the minimum BVG benefits.

6. Capital benefits are converted to pensions for the coordination calculation according to actuarial principles.

7. If the UV, MV or a comparable foreign insurance carrier reduces the disability benefits when the insured person reaches normal retirement age, the Foundation will not make up the reductions and will base the coordination calculation on the unreduced benefits.

8. If the UV or the MV reduce or refuse benefits on the grounds that the actions concerned were deliberate, culpable or involved exposure to extraordinary hazards and risks, in particular in accordance with Article 21 ATSG, Articles 37 and 39 UVG and Article 65 or 66 MVG, the Foundation will not make up the reductions. The coordination calculation is based on the unreduced benefits.

9. Putative lost income equals the income that the insured person would specifically have been able to earn if the insured event had not occurred. To determine this value, the claimant must prove the circumstances beyond all reasonable doubt.

10. If the IV classifies the insured person as not in employment (change of status), a new overpaid benefits calculation is carried out. In such cases, the limit for overpaid benefits is not 90 percent of reported annual salary prior to the insured event but a putative lost income of zero.

11. If the insured person is not covered by the insurer liable to pay benefits at the time when the entitlement arises under the BVG, the previous insurer by which he or she was most recently covered is liable to make initial payments not exceeding the BVG minimum. If the identity of the insurer liable to pay benefits is known, the insurer liable to make initial payments can have recourse to it.

12. In the event of disability or death giving rise to an entitlement to social security benefits where it is not clear whether these benefits are to be paid by accident or military insurance or the Foundation, the beneficiary may claim initial payments from the Foundation equal to the minimum BVG benefits in accordance with Article 70 ATSG. If the case is taken over by accident or military insurance, it must refund the initial payments made by the Foundation in accordance with Article 71 ATSG as part of its obligation to pay benefits.

4.8.2. Multiple causes

Where disability is due to more than one cause (sickness and accident), benefits are only paid proportionately in respect of the cause that is covered pursuant to the SR.

4.8.3. Re-evaluation of the overpaid benefits calculation

1. The Foundation may review the conditions and the level of any overpaid benefits at any time and adjust its benefits on the basis of the outcome of the review at any time without it being necessary for the circumstances to have changed significantly.

2. The minimum BVG benefits are only adjusted if the circumstances have changed significantly.

4.9. Common benefit provisions

4.9.1. Accident cover and exclusion

1. Subject to any provisions to the contrary in the SR, the risk of accident is excluded.

2. Consequently, the entitlement in the event of an accident – subject to any provisions to the contrary in the SR – is limited to the minimum BVG benefits, including any reductions due to overpaid benefits.

3. If, in the event of the accidental death of a person insured under the UVG or MVG, the surviving spouse, partner under the PartG or life partner has no pension entitlement against the accident insurer and the SR do not provide for accident cover, the partner's pension insured under the SR (spouse's, partner's or life partner's pension) shall be paid, reduced by any benefit paid by the accident insurer (e.g. lump-sum settlement under Article 32 UVG).

4.9.2. Recourse

1. Together with other social-security insurers, the Foundation joins with action taken by the insured person and his or her surviving dependants – including life partners eligible for widow's/widower's pensions and step-children eligible for orphan's pensions – with a legal entitlement to enforce claims against all third parties with joint and several liability for an insured event at the time of its occurrence to recover the benefits that it is liable to pay, though not more than the BVG minimum benefits.

2. In the event of a claim and if called upon by the Foundation to do so, the beneficiary is obliged to assign to the Foundation any claim against third parties with joint and several liability for any amount exceeding the BVG minimum benefits up to the amount of elective benefits payable by the Foundation.

4.9.3. Miscellaneous

1. If the beneficiary was responsible to a significant extent for bringing about the death or disability or refuses to undergo IV rehabilitation measures, the Foundation may reduce or refuse to pay benefits. In the event of claims to a lump-sum death benefit from repayment of unappropriated retirement assets or from purchases, the relevant sequence of beneficiaries shall apply as if the person whose benefits were refused did not exist. This right applies to BVG minimum benefits only if the AHV or IV reduces, withholds, refuses or fails in an unacceptable manner to pay its own benefits.

2. If a criminal investigation or criminal proceedings have been instigated against a beneficiary on grounds of suspected insurance fraud, the Foundation may postpone its final decision on entitlement and on any payment of benefits until the definitive conclusion of the criminal case, provided that there is a connection with the claimed entitlement to benefits. During this period, it shall not be liable to pay interest on delayed benefits unless required by law to do so.

3. The Foundation may discontinue the payment of benefits as a precaution if the insured person has violated his or her cooperation obligations by failing to promptly notify the Foundation of a change in his or her circumstances, or to promptly provide confirmation of marital status or life circumstances that has been demanded by the Foundation. The Foundation may also discontinue the payment of benefits as a precaution if there is reasonable suspicion that the benefits were received unlawfully. If the insured person is in pre-trial detention, in custody pending trial, or serving a sentence, the payment of cash benefits with the character of income replacement may be discontinued in whole or in part during this period.

4. Beneficiaries are obliged to provide the Foundation with accurate information regarding all insurance benefits and other income.

5. If all or part of the contributions owed by the employer remain unpaid even after the end of the first month of the calendar or insurance year for which they are owed, potentially resulting in the relevant pension scheme becoming insolvent in the event of benefits being due, then in the event of any claims from the insurance of the insured employer or of executives working for the employer in comparable positions (e.g. members of the Board of Directors or the Board of Management or Heads of Human Resources or Accounts) on receipt of a corresponding written preliminary notice from the BVG Guarantee Fund the Foundation will withhold its benefits until such time as the contributions owed have been paid in full or the BVG Guarantee Fund has given a written assurance or guarantee that the benefit in question will be paid.

6. Benefits obtained improperly must be repaid to the Foundation. If the debtor is in arrears, he or she must pay arrears interest at the BVG minimum rate up to a maximum of 5 percent. Repayment may be waived if it would cause severe hardship to a recipient acting in good faith. The entitlement to repayment of improperly obtained vested benefits expires one year after the Foundation became aware of it but no later than five years after payment of the benefits. Repayment may be made by deduction from future benefits if this is legally permissible. The right to lodge additional claims for damages is reserved.

7. Future benefits cannot be pledged or ceded except in accordance with the provisions on pledges for home-ownership purposes using occupational pension funds. Future benefits cannot be pledged or ceded except in accordance with the provisions on the promotion of home ownership with occupational-pension funds.

8. The entitlement to benefits can only be netted against claims ceded to the Foundation by the employer if they relate to sums that have not been deducted from salaries. Otherwise, in the absence of overriding legal provisions to the contrary, the Foundation may at any time net benefits due for payment against its claims.

9. Benefits are exempt from compulsory execution to the maximum extent permitted by law.

10. Benefits on the death of the insured person do not form part of their estate.

4.9.4. Form and disbursement of benefits

1. Retirement, survivors' and disability benefits are generally disbursed as an annuity. Subject to the three-year blocking period for lump-sum payments after a purchase, they can be disbursed as a lump sum in the cases prescribed by the SR and these regulations.

2. The Foundation is authorised to pay a lump sum instead of an annuity if the full retirement or disability pension, excluding exemption from contributions, is less than 10 percent, the widow's/widower's pension is less than 6 percent or the orphan's pension is less than 2 percent of the respective AHV minimum retirement pension.

3. When a disability pension is commuted, there is an additional entitlement to the transfer value plus the commuted value of the "exemption from the obligation to pay contributions" benefit. The payment of a lump sum and the transfer of the transfer value to a vested benefits institution ends any entitlement to further benefits in accordance with the SR and these regulations.

4. As a rule, the Foundation pays pensions in quarterly, advance instalments on the following dates: 1 January, 1 April, 1 July and 1 October. If the pension does not begin on one of these dates, it is calculated on a pro-rata basis.

5. Benefits fall due 30 days after the Foundation receives all the information and documents required for disbursement.

6. Benefits due for payment may – on the instructions of the Foundation – be disbursed by Allianz Suisse Life. Subject to any overriding legal provision to the contrary, benefits due are generally paid to the point of payment in Switzerland indicated by and in the name of the beneficiary or his/her legal representative.

7. When lump sums disbursed in accordance with the provisions of the Pension Rules (such as retirement capital, disbursement of the transfer value in cash, advance withdrawal for home-ownership promotion) require the written consent of the recipient's spouse or

registered partner pursuant to PartG, the Foundation is entitled to call for such consent to be authenticated at the insured person's expense.

8. The Foundation is deemed to be in arrears if it is notified that it is delinquent in the appropriate legally prescribed manner. This applies even if the due date is subject to the expiry of a certain period of time. In the event of binding legal provisions to the contrary, these shall apply. Interest owed by the Foundation for late payments shall be equivalent to the BVG minimum rate, but no more than 5 percent, subject to any applicable special agreement or to any provision in these regulations to the contrary.

4.9.5. Adjustment of pensions in line with inflation

1. To the extent provided for in the SR, survivors' and disability pensions with a term that has exceeded three years are adjusted in line with inflation, by order of the Federal Council and in accordance with the BVG, until the beneficiary reaches retirement age.

2. Survivors' and disability pensions that are not adjusted for inflation as described in paragraph one and retirement pensions are adjusted in line with inflation to the extent permitted by the financial possibilities of the pension scheme. Decisions on this are taken by the Pension Commission.

5. Financing

5.1. Obligation to pay contributions

5.1.1. Components of the total contribution

1. The total cost of insurance provision consists of retirement credits, contributions for death and disability risks (including administrative costs), contributions for inflation adjustment and the BVG Guarantee Fund, cost contributions and contributions for eliminating underfunding where required.

2. According to the model stipulated by the occupational pensions expert, the pension plans of each pension scheme must be structured in such a way that
   a) the total contributions for all insured employees that serve to finance retirement benefits do not account for more than 25 percent of all salaries subject to AHV – maximised to ten times the upper BVG limit and – if the employer is also insured – do not exceed 25 percent of the – accordingly maximised – salary subject to AHV per year; or
   b) the benefits provided for in the SR do not exceed 70 percent of the last salary or income subject to AHV before retirement – maximised to ten times the upper BVG limit.

3. In addition, the retirement benefits pursuant to the SR, together with those paid under the AHV and other domestic insurance arrangements, must not exceed 85 percent of the last salary or income subject to AHV prior to retirement between one and ten times the upper BVG limit.

4. Furthermore, at least 6 percent of total contributions for all groups of insured persons and pension plans conducted by the Foundation for the employer must finance benefits for the risks of death and disability.

5.1.2. Retirement credits

The retirement credits set out in the SR are levied annually.

5.1.3. Risk contributions for death and disability/administrative costs

The risk contributions for disability and survivors' benefits (including administrative costs) correspond at a maximum to the risk premiums (including administrative costs) which the insurer charges the Foundation. The insurer's risk premiums are based among other things on the provisions of its rate schedule, and in particular on the age and gender of the insured persons and the type and amount of the insured benefits. The premium rates for certain groups of insured persons may be higher or lower than standard rates. In addition, insured persons may be divided into risk classes according to operating conditions and/or risk exposure (risk-category-based rates), and/or claims experience under the individual contract may also be factored in (experience-based rates).

5.1.4. Contributions for the BVG Guarantee Fund

The Foundation levies contributions for the BVG Guarantee Fund, which can be charged entirely to insured persons and the employer.

5.1.5. Cost contributions

Costs of special expenditure are charged in accordance with the separate Cost Schedule.

5.1.6. Contributions for inflation adjustment

A contribution to the costs of adjusting compulsory survivors' and disability pensions in line with inflation is charged to the annual salary insured under the BVG.

5.1.7. Contributions for eliminating underfunding

Contributions to eliminate underfunding at the Foundation are charged in accordance with the separate Restructuring Regulations.

5.2. Obligation to pay contributions

5.2.1. Obligation to pay contributions

The obligation of the employer and the insured person to pay contributions commences at the start of the employment contract and ceases on full retirement, death or early termination of the insured person's employment contract or when the insured person is no longer subject to compulsory insurance because his or her salary falls permanently below the minimum BVG salary. No contributions are payable during the exemption from the obligation to pay contributions and during periods of extended cover.

5.2.2. Contributions of the employer and insured persons (employees)

1. The employer pays the portion of the total annual cost of pension or insurance cover that does not have to be borne by insured persons in accordance with the SR. This share must be at least half of the total contributions. Contributions payable by insured persons are deducted from their salaries by the employer. The employer is responsible for paying all contributions.

2. Subject to any provision in the SR to the contrary, the insured person pays half of the total annual contribution or cost.

3. The employer may make limited advance payments to the Foundation, thus building up contribution reserves (employer contribution reserves) from which the Foundation can source subsequent contributions.

5.3. Transfer value on entry

1. The insured person's transfer value from previous pension arrangements is added to his or her retirement assets on receipt.

2. On production of supporting documentation, the BVG retirement assets pursuant to the BVG shadow account are increased by the portion of the transfer value that corresponds to the insured person's previously acquired BVG retirement assets.

5.4. Purchasing additional benefits

5.4.1. Purchasing benefits in accordance with the Pension Rules

1. Additional benefits may be purchased on becoming a member of the pension scheme with effect from the date of entry, and subsequently for as long as the insured person remains a member and the waiting period for exemption from the obligation to pay contributions has not expired. The purchase must take place before the insured person becomes entitled to retirement benefits.

2. The purchase is based on the current insured salary and the current SR. The maximum purchase amount is equivalent to the difference between the maximum possible retirement assets that could be achieved – in accordance with the SR and without any gaps in the

contribution period – based on the insured salary and the insured person's age at the end of the calendar year of the purchase and the retirement assets accrued on this date. The calculation of the maximum possible retirement assets takes into account an offsetting factor pursuant to the SR.

3. Where an insured person has maintained their pension cover after normal retirement age, the purchase may not exceed the maximum amount specified in the SR which is permitted until normal retirement age, minus the retirement assets already accrued at the time of the purchase.

4. The maximum purchase amount is reduced:
   a) by any vested benefits that the insured person did not have to transfer to the Foundation, plus
   b) by any pillar 3a benefits that have to be taken into account by law, plus
   c) by the retirement capital paid out in connection with early retirement by a pension provider or a vested-benefits institution
   d) by the retirement assets held when the insured person begins to draw a retirement pension arising from early retirement in pillar 2.

5. Before making a purchase, the insured person must inform the Foundation in writing of any balances as specified in paragraph 3 as part of his or her reporting and notification obligations under Section 1.6.1 paragraph 1 k). The Foundation accepts no liability for any consequences resulting from a breach of this reporting obligation.

6. If these contributions with the effect of reducing the purchase amount have already led to the reduction of the amount payable when purchasing additional benefits in another pension scheme, the Foundation may waive the reduction if the insured person supplies proof in the form of written confirmation of the purchase calculation from the other pension scheme.

7. If the insured person is a new arrival from abroad and has never been covered by pension arrangements in Switzerland, the maximum annual purchase amount in the five years following his or her first entry into pension arrangements in Switzerland is limited to 20 percent of his or her insured salary.
   When applying to purchase additional benefits, the insured person must notify the Foundation of when he or she first entered into pension arrangements in Switzerland.

8. A direct transfer of pension assets from another country's occupational benefits plan to the Foundation is possible, provided that
   a) a corresponding agreement is concluded between the Foundation and the foreign institution, and
   b) the insured person does not claim a tax deduction for this transfer.

9. The purchase is fixed in consultation with the insured person, taking account of his or her capacity for work and the maximum amount reduced in accordance with paragraphs 3 to 6. Persons drawing partial IV disability pensions can make purchases on the active component. As a general principle, the purchase amount thus determined is payable by the insured person, but all or part of it may also be contributed by the employer. The purchase takes legal effect only when it is received by the Foundation.

10. Any obligation on the part of the employer to provide standardised sums for purchases or for the provision of full pension benefits on early retirement must be explicitly stated in an additional Appendix to the SR.

11. Purchases have no effect on the amount of the BVG retirement assets in accordance with the BVG shadow account.

12. Where purchases have been carried out, the resulting benefits cannot be drawn in lump-sum form within three years. This period starts again with every purchase.

13. Where early withdrawals for home-ownership purposes have been made, the amounts involved must be repaid before voluntary purchases can take place.

5.4.2. Repurchase following pension settlements in the event of divorce

The details are covered in Appendix 6, "Provisions in connection with pension settlements in the event of divorce".

5.4.3. Additional benefit purchases for early retirement

1. If an insured person has already purchased the full benefits under the Pension Rules, he/she may apply to make additional purchases using the appropriate form in order to fully or partially offset reductions resulting from an early withdrawal. Purchases are not possible if an insured event has occurred.

2. The maximum amount of such a purchase is the amount needed to finance the difference between the retirement pension at the time of normal retirement and the retirement pension at the time of the planned early retirement.

3. If the insured person is fully or partially unfit for work on the planned early retirement date, the entitlement to retirement benefits may commence only when full fitness for work is recovered, but no later than upon reaching the normal retirement age. The exemption from the obligation to pay contributions for retirement credits applies regardless of whether the retirement credits have already been pre-financed through additional benefit purchases for early retirement. As long as the insured person is entitled to a full disability pension, the purchases for early retirement will be paid out as a lump sum when he or she reaches normal retirement age, rather than being taken into account in the calculation of the retirement pension. In the event of partial disability, this applies to the passive component.

4. If the insured person does not take early retirement as planned, the retirement credits under the Pension Rules shall only be charged and credited for as long as they have not already been pre-financed. At the time of retirement, the benefits under the Pension Rules must not be exceeded by more than 5 percent (maximum limit of 105 percent). Any excess amount shall be forfeited to the pension scheme.

5. Compliance with the maximum limit of 105 percent is ensured by means of a comparative calculation. If reductions in the degree of employment or the insured salary, changes to the pension plan or credits resulting from divorce settlements lead to this maximum limit being exceeded, they will be treated in the comparative calculation as if they had not occurred.

6. In all other respects, the provisions on purchasing benefits under the Pension Rules apply.

5.5. Repayment of an early withdrawal

1. The full or partial repayment of an early withdrawal as part of the home-ownership promotion scheme is possible at any time until the entitlement to retirement benefits takes effect before reaching normal retirement age, until the waiting period for the exemption from the obligation to pay contributions expires or until

the insured person becomes entitled to the transfer value. Repayment is no longer possible after the insured person has reached normal retirement age.

2. The repayment is used to increase retirement assets. Repaid amounts are credited to the BVG retirement assets in the same proportion as the reduction following the early withdrawal as part of the BVG shadow account.

3. The amount of the repayment must be the proceeds of a disposal or, in other cases, at least CHF 10,000.

6. Final provisions

6.1. Participation in the surplus from the insurance contract

1. Under the provisions applicable to the group insurance contract, the applicable legal provisions and the surplus allocation plan, the Foundation is entitled to a share of Allianz Suisse Life's surplus in the occupational pension business.

2. The surplus share is allocated to the Foundation, as a rule with effect from the following year's reference date. Insured persons and pensioners are not directly entitled to any of the surpluses allocated to the pension scheme.

3. The insurer prepares an annual statement for each pension scheme showing the principles underlying the calculation and allocation of surpluses.

6.2. Free funds of the pension scheme

1. Free funds are formed by voluntary contributions from the employer, returns on assets, insurance benefits that cannot be paid out and the surplus participation allocated to the groups of insured persons that has not been credited to the insured persons' retirement assets. The free funds have been allocated by the Pension Commission to the pension scheme's free Foundation assets with or without a designated purpose, or the Pension Commission may not yet have decided on their appropriation.

2. The Pension Commission decides on the appropriation of free funds in accordance with the purpose described in the GTC. Any voluntary distribution to insured persons and pensioners to increase their retirement assets and pensions is made in accordance with the procedure specified in Appendix 1.

6.3. Partial or total liquidation

The details of this are covered in the Foundation's Partial Liquidation Regulations.

6.4. Consequences of the annulment of the contract

1. Upon annulment of the enrolment on which the insured persons' pension and insurance arrangements are based, the savings process ends and the insurance cover under the applicable SR lapses as at the cancellation date (effective date). The following provisions, or agreements to the contrary entered into by the employer with the new pension provider or its insurer in respect of the annulment of the contract, remain in force, provided that the Foundation and Allianz Suisse Life consent to such variant agreements.

2. If the enrolment is annulled, the persons who are fit to work and those who are unfit to work, the partially disabled and the partially retired persons shall be affected by the loss of insurance cover in relation to the active portion of their policies, as well as the fully and partially disabled persons who have not reached normal retirement age in relation to the pension portion of their policies.

3. Full retirees and recipients of survivors' pensions shall remain part of the Foundation, as shall partial retirees in relation to the pension portion of their policies, unless explicitly stipulated otherwise in a takeover agreement.

4. The employer may not terminate the enrolment if the new pension provider refuses to take on the recipients of disability pensions and the retirees and recipients of survivors' pensions to be taken over under a separate takeover agreement.

5. The employer and the Pension Commission are obliged to reach a joint, timely and binding arrangement on the taking over of pension benefits by the new pension provider so that pensioners do not experience an interruption in pension payments.

6. If the enrolment is terminated by the Foundation and the new pension provider does not take on the recipients of disability pensions and the retirees and recipients of survivors' pensions to be taken over under a separate takeover agreement, they shall also remain with the Foundation in relation to the pension portion of their policies.

7. Contrary to the above provisions, the Foundation may reach an agreement with the new pension provider as to whether individual groups or the entire group of pensioners shall transfer to the new pension provider. Agreements between the Foundation and the new pension provider require the approval of Allianz Suisse Life.

8. In other cases, the insured persons' and pensioners' corresponding pension claims (settlement values) shall be guaranteed in a legally acceptable form.

9. When pensioners remain with the Foundation, the enrolment and the risk insurance in respect of the pensioners shall remain in force until their pension entitlements terminate. A lump sum shall be charged to the contribution account for future statutory contributions to the BVG Guarantee Fund and invoiced to the employer.

10. On cancellation of the enrolment, the settlement value is payable for the terminated insurance policies as well as passive retirement assets managed by the Foundation for recipients of disability pensions. The settlement value is determined taking the term of the cancelled enrolment into account and applying the rules for calculating settlement values upon cancellation of contract based on Allianz Suisse Life's actuarial principles and approved by the competent supervisory authority, all in accordance with the General Terms and Conditions for Collective Insurance under the BVG together with their technical appendix.

11. The settlement value for the active insured persons is equal to the retirement assets.

12. In the event of partial or full liquidation, actuarial shortfalls are deducted in accordance with the arrangements in the Partial Liquidation Regulations and the Restructuring Regulations.

13. Settlement values are transferred to the new pension provider as capital. The Foundation is entitled but not obliged to make payments on account to the new pension provider and to deduct any pensions paid out for periods extending beyond the effective annulment date.

14. If the employer has fulfilled all its obligations and the Foundation is late in transferring the retirement assets of the persons who are fit for work, it shall be liable to pay default interest on these assets. The interest rate shall be in line with sector agreements and recommendations if these are also acceptable to the new pension provider or its insurer. Otherwise it is equal to the rate applied by the Foundation at the time of annulment to interest-bearing retirement assets.

15. The settlement values for persons unfit for work and for current premium waiver and/or pension obligations are subject to interest only if expressly provided in the takeover agreement by the new pension provider and

if Allianz Suisse Life consents to such arrangements in respect of the risk pensions.

6.5. Changes to the Pension Rules

Where the Pension Rules contain no relevant provisions, other occupational pension regulations apply (BVG, OR, FZG, Directive etc.). In other cases the Board of Trustees designs a provision in keeping with the purpose of the Foundation and the concept of pension provision.

6.6. Changes to the Pension Rules

1. The Board of Trustees may amend the GTC and SR at any time in compliance with the applicable legal provisions, particularly those of the BVG, FZG, etc. and the Foundation Deed.

2. The Pension Commission may amend, supplement or suspend the SR at any time within the powers held by it in consultation with Allianz Suisse Life. Changes come into force at least 30 days after the consent of the Board of Trustees is obtained, if this is required in accordance with the Organisational Regulations of the Foundation.

3. Changes to these GTC fall exclusively within the competence of the Board of Trustees.

4. Changes to the GTC and the SR, subject to any provision to the contrary, apply only to insured events occurring after the date on which they come into force.

6.7. Place of performance and jurisdiction

1. The place of fulfilment for benefits is the Swiss place of residence of the beneficiary, or failing that, the place of residence of his or her proxy in Switzerland, or failing that, the registered office of the Foundation.

2. In the event of well-founded doubts as to potential beneficiaries, the Foundation may deposit payable benefits at its registered office.

3. The place of jurisdiction is the Swiss registered office or place of residence of the defendant or the Swiss location of the insured person's employer.

6.8. Authoritative version of the Pension Rules

1. The GTC and the SR apply as amended.

2. The language version of the GTC and the SR determined upon the employer's enrolment with the Foundation is authoritative.

6.9. Entry into force

1. This version of the GTC comes into force on 1 April 2024.

2. When the SR and the GTC come into force they supersede or replace existing regulatory principles, subject to the following transitional provision:

6.10. Transitional provision

6.10.1. Transitional provision for the adjustment of the coordination deduction after partial retirement

The provisions of the SR relating to the coordination deduction for part-time employment also apply to partial retirement, regardless of when the SR entered into force.

6.10.2. Transitional provision for current retirement and survivors' pensions, current disability pensions and disability cases in which the commencement of pension payments has been postponed because salary or a replacement salary continues to be paid, no pension is paid because of overcompensation, or the waiting period under the previous regulations has commenced (pending disability cases)

1 The following basic principles apply:

a) Retirement and survivors' pensions that are current when these Pension Rules come into effect are governed by the provisions of the Pension Rules previously valid for these pensions until they cease.

b) Disability pensions that are current when these Pension Rules come into force are governed by the provisions of the Pension Rules previously valid for these pensions until they cease.

c) Disability cases pending when these regulations come into effect where

   I. the commencement of pension payments has been postponed because a salary or a replacement salary continues to be paid are determined by the provisions of the Pension Rules which were valid when the entitlement to a pension commenced;

   II. no pension is paid because of overcompensation are determined by the provisions of the Pension Rules which were valid when the entitlement to a pension commenced;

   III. the waiting period (under the previous Pension Rules) has already begun are determined by the provisions of the Pension Rules which were valid when the waiting period began.

d) The passive component of the retirement assets of partially disabled insured persons is maintained on the basis of the final insured salary prior to the onset of incapacity. This salary is reduced in line with the benefit entitlement applicable to the current disability pension.

e) If the current retirement or disability pension ceases due to the death of the recipient, the survivors' benefits shall be governed until they cease by the provisions of the Pension Rules previously valid for the current retirement or disability pension. In deviation from this and subject to any provision to the contrary in a takeover agreement, the life partner's pension shall always be governed in terms of the conditions for entitlement by the Pension Rules in force at the time of the pension recipient's death. However, the life partner's pension shall never be higher than the spouse's pension provided for under the Pension Rules valid for the current retirement or disability pension.

f) If the Pension Rules previously applicable to a current disability pension provide that, when the pension recipient reaches normal retirement age, the disability pension current up to that point shall be replaced by a retirement pension, the following provisions apply:

   I. The normal retirement age applicable for the replacement is determined by the Pension Rules previously valid for the disability pension.

   II. This retirement pension is calculated on the basis of the retirement assets available on reaching normal retirement age as per I above.

   III. The retirement assets calculated in accordance with II are converted to a retirement pension using the conversion rates defined in the

Pension Rules that apply at the time of the conversion.

2 In deviation from the principle set out in paragraph 1, the following applies to disability pensions that are current and disability cases that are pending on 1 January 2022:

a) If a reason for revision applies in accordance with Article 17 (1) ATSG for recipients of disability pensions born in 1967 or later, the pension shall be determined according to the benefit entitlement defined in Section 4.4.2 paragraph 3 of these Pension Rules. However, if a pension revision results in a lower pension despite an increase in the degree of disability or a higher pension despite a decrease in the degree of disability, the disability pension shall continue to be governed by the Pension Rules previously applicable to it.

b) As of 1 January 2022, disability pensions for recipients born in the years 1992 to 2003 shall automatically be determined by the benefit entitlement defined in the Pension Rules applicable at the time, irrespective of whether a reason for revision under Article 17 (1) ATSG applies or not. If this results in a lower pension amount, the previous pension will continue to be paid until a reason for revision under Article 17 (1) ATSG applies.

c) In pending disability cases for which the waiting period under the previously valid Pension Rules has already begun, the pension is determined by the benefit entitlement defined in Section 4.4.2 paragraph 3 of these Pension Rules.

3 Furthermore, the following always apply:

a) the coordination provisions of the Pension Rules in force at the time when the coordination question arises;

b) the default interest provisions of the Pension Rules in force at the time when the default question arises.