

Vested benefits on departure

Information for insured persons

August 2014

When you leave the BVG Collective Foundation of Allianz Suisse Life, your vested benefits fall due. However, your insurance cover for the risks of death and disability remains in force until you enrol with another pension scheme or for a maximum of one month after departure.

Departure benefits.

These comprise:

- Employee and employer savings contributions under the pension fund regulations
- Any deposits made (e.g. vested benefits transferred from a previous pension fund, special credits, personal purchases, etc.)
- Interest income

In order to guarantee the full amount of vested benefits, your departure benefit must amount to at least the legally prescribed «minimum benefit». For this reason your statement will show two separate calculations:

- Amount of retirement assets on the departure date
- Calculation of minimum benefit in accordance with the applicable federal law

In the end, the higher of these two amounts is paid out.

New employer and pension fund.

If you gave notice in order to take up employment elsewhere, please fill in the «Occupational Pension – Notification of Departure» form. To ensure that there is no break in pension cover, the entire departure benefit must be transferred to the new pension fund.

No new employer.

If you handed in your notice without already having a new employer or pension fund, you have the option of taking out a vested benefit policy with Allianz Suisse Life that offers pension cover (at least in the event of death).

Disbursement in cash.

You can apply for disbursement in cash if one of the following conditions is met:

- **You are leaving Switzerland permanently** (for details see «Cash disbursement on emigration» below).
 - Proof: confirmation from your local residents' registration office that you have left Switzerland permanently
- You begin working on a **self-employed basis in your main occupation** and are no longer subject to mandatory occupational pension cover.
 - Proof: confirmation from the relevant AHV compensation fund that you are working in your main occupation on a self-employed basis pursuant to the AHV provisions
- The amount of your vested benefits is **less than your personal annual contribution**.
 - No specific documentation required.

If the insured person leaving the pension fund is married or living in a registered partnership, cash disbursement is possible only with the written consent of the insured person's spouse or registered partner, as the case may be. If the disbursement exceeds CHF 30 000.–, the relevant spouse or registered partner must be instructed to seek official certification of the authenticity of the signature on the notification of departure. In the case of unmarried couples, a current confirmation of marital status must be submitted.

Where pension purchases have been made, the resulting benefits may not be drawn in cash during the following three years (exclusion period) *.

Taxes.

If the cash disbursement exceeds CHF 5000.–, Allianz Suisse is obliged to report it to the Swiss taxation authorities. Cash disbursements to insured persons resident abroad are subject to tax at source.

If, nevertheless, a withdrawal is made within the three-year exclusion period, the tax deduction claimed on purchases is subsequently annulled by the competent tax authority by setting it off against the insured person's taxable income *.

Cash disbursement on emigration.

Since 1 June 2007, only the elective portion of the departure benefits can be disbursed in cash to persons leaving Switzerland for an EU or EFTA member country. Cash disbursement of the mandatory BVG portion is no longer allowed if the person leaving Switzerland remains subject to mandatory pension cover for retirement, death and disability in the destination country. In this case, the insured person must choose between transferring the mandatory portion of the departure benefits to either a vested benefit policy or a vested benefit account. The pension cover thus remains in force. The person's nationality is irrelevant.

Procedure when leaving Switzerland

People leaving Switzerland for an EU or EFTA member country can contact the Liaison Office of the LOB Guarantee Fund regarding an application form to determine their social insurance obligation – the form is also available online: www.verbindungsstelle.ch.

The application should be accompanied by a copy of the applicant's passport or ID card. The Liaison Office of the LOB Guarantee Fund contacts the competent foreign authorities in order to clarify whether the applicant is subject to mandatory

social insurance in the corresponding country. If the applicant is not subject to mandatory social insurance in the country of destination, the pension fund can disburse the entire retirement assets accumulated under the occupational pension scheme in cash.

Unemployment.

Under the provisions of the BVG, unemployed persons receiving daily benefits from an unemployment benefit fund are automatically covered by the National Substitute Pension Plan for death and disability – but not for retirement. The benefits correspond to the minimum prescribed by law. At www.arbeitslosenkasse.ch you will find additional information on occupational pension cover for unemployed persons.

Lack of information for transfer of vested benefits.

If you fail to provide us with information required to preserve your pension cover, we will set up a vested benefit policy on your behalf with a technical interest rate of 0.25%, based on the applicable provision of the General Regulations of the Collective Foundation. This policy will enable you to maintain your pension cover in the form of mixed life insurance. This means that your vested benefits (including interest) are used to finance an insurance policy that pays a lump sum on maturity or a death benefit in the same amount. Your policy will also participate in the surplus generated by Allianz Suisse Life.

There is no charge for opening and managing this insurance, although a fee is levied for termination after a period of four weeks following receipt of the vested benefit policy as set out in the general conditions for vested benefits policies.

Disability.

If, on termination of your contract with the pension fund, you are unable to work as a result of illness or an accident and this might ultimately result in permanent disability, you do not qualify for payment of a departure benefit at that point in time despite your leaving the pension fund. Should this apply to you, please contact us for additional information.

* Further information may be found on the form «Application for buying into the pension fund».