Profond

Pension Fund Regulations

January 2018

Should legal differences arise between the original and the translated version, the German version will prevail.

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Abreviations and terms

Administration costs
The administration costs are determined by the pension plan and include the costs of general administration, marketing and advertising, of the activities of intermediaries and brokers, of the auditors and accredited occupational pensions actuary and the supervisory authorities

AHV (OASI)
Swiss Federal Law on Old Age and Survivors' Insurance

ATSG
Federal Law on the General Part of the Social Insurance Act

BVG (LOB)
Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans

BVV 2
Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans

DSG
Federal Law on Data Protection

Employee
Employees who have entered into an employment contract with an affiliated company

Employer
Companies that have entered into an affiliation contract with the Foundation

Profond
Profond Pension Fund

FZG
Federal Law on Vesting in Occupational Retirement, Survivors' and Disability Pension Plans

FZV
Federal Ordinance on Vesting in Occupational Retirement, Survivors' and Disability Pension Plans

Insured risk component of salary
Annual salary used as the basis for calculating risk benefits and risk contributions, taking account of any coordination deduction (referred to up until 31 December 2016 as the insured annual salary)

Insured savings component of salary
Annual salary used as the basis for calculating retirement credits, taking account of any coordination deduction.
(Referred to up until 31 December 2016 as the coordinated annual salary)

IV
Swiss Federal Disability Insurance

IVG
Federal Law on Disability Insurance

MVG
Federal Law on Military Insurance

PartG
Federal Law on the Registration of Partnerships for Same-Sex Couples

Pension Plan
On the level of the pension scheme, the Pension Plan determines the circle of employees to be insured, the calculation of the insured salary, the level of pension benefits and the financing

Qualifying annual salary
Basis for calculating the insured savings and risk components of the salary

SCC
Swiss Civil Code

Spouse
Person who is married to an insured. Registered partners have the same legal status as spouses

UVG
Federal Law on Accident Insurance

1. General provisions and definitions

Art. 1 Name and purpose

1 A pension fund foundation has been established under the name “Profond Pension Fund” (hereinafter referred to as the “Profond”). The purpose of Profond is to protect the employees of institutions and companies that have entered into an affiliation contract with Profond and their dependants and surviving dependants pursuant to the provisions of these regulations, the applicable affiliation contract and its integral components, and the BVG, against the economic consequences of old age, death and disability.

2 The rights and obligations of the beneficiaries of Profond are governed by these regulations and by the Pension Plan applicable to them, which forms an integral component of these Regulations.

3 Profond participates in the implementation of compulsory occupational benefits insurance and has therefore been entered in the register for occupational pension providers pursuant to Art. 48 BVG.

Art. 2 Affiliation contract

1 The employer’s rights and obligations are governed by the affiliation contracts and regulations, and by the Pension Plans applicable to them. Deviating regulatory and statutory provisions are reserved.

2 Profond manages a separate pension fund for every affiliated employer.

3 Separate accounts are kept for every pension fund if this is required to monitor compliance with the statutory provisions and to prove the contribution of any special assets.

4 Special assets, on the level of the pension fund, such as employer contribution reserves, disposable assets, etc. are only used in favour of the employer in question and its insured persons.

Art. 3 Relationship to the BVG

1 Profond provides the minimum occupational benefits prescribed by the BVG.

2 Profond is affiliated with the LOB Guarantee Fund pursuant to Art. 57 BVG.

Art. 4 Liability

Profond denies any liability for the consequences of a breach of the obligations of the affiliated companies and insured and reserves the right to claim damages for any resulting loss and to demand reimbursement of benefits paid out in error.

Art. 5 Insured persons; enrolment conditions

1 Notwithstanding Art. 3, Profond insures all employees of the affiliated companies that meet the enrolment conditions set out in the Pension Plan.

2 Persons who are partially disabled on enrolment with Profond are only insured for that part of their income that derives from their remaining capacity for work pursuant to Art. 15 BVV 2. The limits are reduced accordingly pursuant to Art. 4 BVV 2.

3 Profond does not insure:

– Employees until 31 December of the year of their 17th birthday
– Employees who receive a salary that does not exceed three-quarters of the maximum retirement pension payable under the AHV; unless otherwise stipulated in the Pension Plan
– Employees who have already reached or passed regular retirement age pursuant to Art. 11 (with the exception of Art. 20)
– Employees with a temporary employment contract of three months or less. Employees with temporary employment contracts or assignments will be insured if:
  a) the working relationship is extended past three months (without interruption) from the date on which the extension of the contract was agreed
  b) several consecutive positions are held with the same employer, or assignments are carried out for the same lending company that last a total of longer than three months, with no interruption exceeding three months.
  In this case, the employee is insured from the beginning of the fourth overall working month onwards. However, if the parties agree prior to initial commencement of work that employment or the assignment duration will exceed three months, the employee is insured right from the beginning of the working relationship.
– Employees who work part-time and already have compulsory insurance elsewhere for their principal position of employment or who are primarily self-employed
– Employees who are not or are unlikely to be employed in Switzerland on a permanent basis and who are adequately insured in a non-EU/non-EFTA country, provided that they request to

be exempted from enrolment in Profond
- Persons who are at least 70 per cent disabled as defined in Art. 16 ATSG
- Persons who pursuant to Art. 26a BVG are receiving provisional continued insurance cover from another pension fund.

4 On application of the Staff Pension Scheme Committee and in agreement with the employer, employees with an annual salary of less than three quarters of the maximum AHV pension can be insured, provided they meet the remaining enrolment conditions.
5 Persons who do not qualify as employees of an affiliated company are not insured, not even if they were insured with Profond previously. Deviating regulatory provisions are reserved.
6 With the written consent of all employers involved, insured employees who work for additional employers not affiliated with Profond can also insure the income received from the unaffiliated employers with Profond.
7 On application of the Staff Pension Scheme Committee, persons not subject to insurance with Profond who exercise a management function (e.g. seat on board of directors) at a company affiliated with Profond can be insured to the same extent as employees in Profond, provided they meet the remaining prerequisites of these Regulations.

Art. 6 Beginning of the pension relationship
The pension relationship begins on the date on which the employment relationship starts, or on which entitlement to a salary first arises, or in any case when the insured starts out for work, or on the date on which the enrolment conditions set out in the Pension Plan have been fulfilled.

Art. 7 End of the pension relationship
1 The pension relationship ends when the employee's employment relationship ends or he/she no longer fulfils the enrolment conditions under the Pension Plan, provided that no event giving rise to pension entitlement (insured event such as old age, death or disability) has occurred.
2 If the insured is partially disabled, the pension relationship ends with regard to his/her remaining capacity for work, provided that the employment relationship was terminated or he/she no longer fulfils the enrolment conditions.
3 The insured person remains insured against the risks of death and disability for one month after the termination of the pension relationship. If he/she joins another pension fund before this date, the new pension fund must pay benefits.
4 In agreement with the Staff Pension Scheme Committee and the employer insured persons leaving Profond can continue to voluntarily maintain their pension cover within the limits of the legal provisions provided that they meet the other enrolment conditions (external membership). During this period, Profond is entitled to the total contributions required under the regulations to continue the pension relationship (savings plan and risk insurance, or only savings plan). The pension relationship will end at the latest after two years, or when the insured person transfers to the pension fund of a new employer, whichever occurs first.
5 Insured persons whose employment relationship is interrupted while abroad for training purposes or for other reasons (unpaid leave, etc.), can apply to continue the pension relationship with Profond for a period not exceeding two years to be agreed with the consent of the employer. During this time, Profond is entitled to the total contributions required under the regulations to continue the pension relationship (capital redemption and risk insurance, risk insurance or interruption of insurance).

Art. 7a Voluntary continuation of insurance for employees in the primary construction industry (Stiftung FAR)
1 Insured who are no longer compulsorily insured as they receive a bridging pension from Stiftung FAR (foundation for flexible retirement in the primary construction industry) may continue the savings process with Profond during the time they receive the bridging pension from FAR.
2 If the savings process is continued, insurance for death and disability will be discontinued with the exception of the lump sum payable at death as detailed in Art. 30 lit. a) of the regulations. The eligible persons are, independent of the law of succession, the dependants as specified in Art. 30 lit. b) para. 2.
3 The application for continuation of the savings process must be submitted to Profond at the latest 30 days before the entitlement to the FAR bridging pension starts.
4 The annual retirement credits during the time of the bridging pension will be defined and financed by Stiftung FAR and transferred to Profond. Stiftung FAR is liable to pay the con-

tributions. The annual retirement credits will be credited to the retirement account as a single premium.
5 Recipients of a bridging pension from Stiftung FAR can only take partial or early retirement under these regulations up to the time when the entitlement to a bridging pension from Stiftung FAR commences.

Art. 8 Medical check-up; provisos applying to insurance cover

1 On request of Profond, the insured must complete a health questionnaire.
2 Profond may, at its own costs, demand further documents or request the insured to undergo a medical examination by a medical officer appointed by Profond.
3 If the insured represents an increased risk, Profond may issue a proviso concerning risk benefits for certain medical conditions within three months of receiving the documents relevant for assessment.
4 However, the proviso only remains valid for a maximum of five years from the beginning of the pension relationship. For self-employed persons who are voluntarily insured, the proviso is determined by the BVG.
5 If risk benefits are claimed during the proviso period for symptoms caused entirely or partly by a condition subject to the proviso, the benefits or prospective benefits are reduced to the minimum benefits payable under the BVG.
6 This restriction remains valid until the obligation to pay benefits for this specific case ends, i.e. for longer than the proviso period.
7 No proviso may be applied to the pension benefits financed with the vested benefits brought into Profond, unless the previous pension fund already applied such a proviso. The lapsed proviso period with the previous pension fund is deducted from the new proviso period.
8 The minimum benefits under the BVG may not be subjected to any proviso.
9 If risk benefits are claimed before a medical check-up could be carried out, the Foundation is entitled to restrict the risk benefits on a lifelong basis to the minimum benefits under the BVG for illnesses or accident sequelae from which the insured suffered before starting the current employment relationship or to which he/she is susceptible due to earlier conditions as well as for existing illnesses or physical defects.
10 If the insured is not fully capable of working at the time insurance cover commences and the cause of this partial incapacity for work leads to disability, an increase in the level of disability or death, the insured has no claim to benefits under these regulations.
11 If false or incomplete answers are given to the risk assessment questions asked upon enrolment, Profond is entitled to terminate the extra-mandatory provision component and to reduce pension benefits for life to the minimum amounts payable under the BVG. Any excessively paid benefits must be repaid. The right of termination lapses six months after Profond receives notification of the decision on the part of the Federal Disability Insurance Office to grant a pension.
12 If benefits are substantially increased, Profond is entitled to request a medical check-up with regard to these additional benefits. The aforementioned provisions apply mutatis mutandis.

Art. 9 Salary definitions; change in the level of employment

1 The qualifying annual salary is calculated on the basis of annual income as determined in accordance with AHV standards. The qualifying annual salary serves as the basis for calculating the insured savings and risk components of the salary.
2 Occasional salary components are only taken into account if this is specified in the Pension Plan.
3 The qualifying annual salary is determined for the entire year. If the insured joins Profond during the course of a calendar year, or in the event of salary changes, the current monthly salary is extrapolated to an annual salary.
4 If the salary fluctuates, the qualifying annual salary can be calculated on the total earned during the past twelve months or on the basis of the annual salary usually paid to employees working in this economic sector if no specific data is available.
5 Risk benefits that fall due before retirement age are calculated on the basis of the insured risk component of the annual salary. The latter is specified in the Pension Plan.
6 The retirement credits are calculated on the basis of the insured savings component of the salary. The latter is specified in the Pension Plan.
7 The contributions for risk costs are calculated on the basis of the insured risk component of the salary. The latter is specified in the Pension Plan.
8 The maximum qualifying annual salary is

limited in accordance with Art. 79c BVG.

9 Salary changes of less than 10 per cent during the course of a calendar year are only taken into account as from 1 January of the following year.

10 If the qualifying annual salary temporarily drops due to illness, an accident, short-time work or similar reasons, the previous savings and risk components of the salary remain insured unless the insured requests a reduction in the qualifying salary.

11 If the insured becomes at least 40 per cent disabled, the occupational benefits insurance is split into an active part (equalling the remaining capacity for work) and a passive part (equalling the level of disability). The insured annual salaries for the active part of the insurance are calculated in accordance with Paras. 1 to 7 above. The insured annual salaries valid at the time the insured event occurred remain valid for the passive part.

12 Insured persons whose annual salary is reduced by a maximum of 50 per cent after reaching age 58 can maintain their pension provision at the level applicable to their previous qualifying annual salary. The previous qualifying annual salary can continue to be insured but only for that portion of the pension cover for which no retirement benefits are being drawn, and, at a maximum, until the insured reaches regular retirement age. Insured persons themselves will have to pay the difference between the previous and new qualifying annual salary for both the employee´s and the employer´s contributions. The employer may assist in funding the contributions on a voluntary basis.

Art. 10 Age

The age that applies for the calculation of the contributions and retirement credits is the difference between the current calendar year and the year of birth of the insured.

Art. 11 Retirement age

1 The regular retirement age equals the regular retirement age under the AHV.

2 Early retirement is possible from age 58.

3 Deferred retirement is possible up to age 70.

4 An employee retires on the first day of the month following the birthday on which he/she reaches retirement age or the applicable age for early or deferred retirement.

5 Entitlement to retirement benefits begins on the first day of the month following the month of retirement.

Art. 12 Information and notification requirements

1 Profond, all affiliated employers, insured persons and beneficiaries are obliged to provide the full information and proof required for implementing the pension relationship, in particular when enrolling with the pension fund, if incapacity for work occurs, while receiving benefits (e.g. information on effective remaining income from employment or an increase in such, loss of a child’s pension), in the event of death, changes in marital status, or the insured’s obligation to support dependants (marriage, death, divorce, etc.).

2 Upon Profond’s request, pension recipients must submit official proof of life and/or marital status at their own costs.

3 Profond may require disabled persons to submit a certificate from a medical doctor recognised by Profond.

4 Recipients of child’s pensions and orphan’s pensions who wish to claim benefits past the age of 18 must submit a declaration from their training or education institution that confirms the type and duration of their training or education.

Art. 13 Data protection

As far as the handling of the personal data of insured is concerned, Profond is obliged to comply with the statutory provisions (Art. 85a–87 BVG and DSG).

Art. 14 Registered partnership

1 Registered partners within the meaning of PartG are equated with married persons for the purposes of these regulations. They have the same rights and obligations as married persons.

2 In the event of the insured’s death, the registered partner shall be treated the same as a spouse.

3 The dissolution of a registered partnership by a court is equated with divorce.

2. Benefits

Art. 15 Retirement credits and retirement savings

1 A separate retirement account is kept for every insured who fulfils the conditions of the Pension Plan.

[2] The retirement account is credited with:
- the retirement credits
- the vested benefits brought into the pension fund
- one-off contributions as a result of divorce, the repayment of advance withdrawals for promotion of home ownership, purchases of additional benefits, additional credits, the allocation of disposable assets, etc.
- interest.

The retirement savings equal the balance of the retirement account.

[3] The retirement savings are reduced by:
- advance withdrawals under the promotion of home ownership scheme
- partial pay-outs as a result of a divorce or other.

[4] The amount of the retirement credits is specified in the Pension Plan.

[5] Interest is calculated on the balance of the retirement account at the end of the previous year and is credited to the retirement account at the end of each calendar year.

[6] If the insured leaves the pension relationship during the year or enters retirement, interest for the year in question will be paid on the savings capital up to this date at the BVG minimum interest rate.

Art. 16 General conditions for retirement benefits

[1] Once the insured reaches the earliest possible retirement age, he/she is entitled to retirement benefits, provided that he/she stops working in his/her previous job entirely or partly.

[2] On retirement, the insured may choose whether to draw the accrued retirement savings in the form of a lifelong retirement pension or whether to take all or part of the savings in the form of a lump sum.

[3] On reaching regular retirement age, the insured will be fully entitled to retirement benefits.

Art. 17 Retirement pension

The retirement pension corresponds to the accrued retirement savings, multiplied by the conversion rate at retirement age (see Annex 1).

Art. 18 Early retirement; buy-in of reduced pension benefits

[1] It is possible to take early retirement when the insured person reaches the earliest possible retirement age.

[2] In the event of early retirement, the retirement benefits will be reduced in accordance with actuarial principles.

[3] The difference between the retirement pension on early retirement and the full benefits under the pension plan regulations at regular retirement age (prospective retirement pension) can be eliminated partly or totally by buying additional benefits in line with the net present values shown in Annex 3.

[4] The prospective retirement pension corresponds to the projected retirement savings after a full contribution period, multiplied by the conversion rate at retirement age (see Annex 1).

[5] It is only possible to buy additional benefits if the additional contributions under Art. 43 have been exhausted and all advance withdrawals to finance the purchase of residential property have beed repaid.

[6] In compliance with the law, vested benefits not brought into Profond, all Pillar 3a assets and any advance withdrawals to finance the purchase of residential property where repayment is no longer permissible are deducted from the maximum amount for which additional benefits may be purchased.

[7] The buy-in amount will be converted to a retirement pension amount at the time of actual retirement in accordance with Annex 3.

[8] If the insured person does not take early retirement despite buying additional benefits, no further savings contributions will be credited to the retirement assets once the prospective retirement pension is exceeded by 5 per cent.

Art. 19 Partial retirement

[1] If the insured switches to working part-time, he/she can request to take retirement corresponding to the reduction in working hours (partial retirement). The first stage must involve at least a 20 per cent reduction in the insured's level of employment. The move toward full retirement can take place in a maximum of three stages, with the final stage entailing a reduction in the level of employment of at least 30 per cent.

[2] Partial retirement will be covered by a partial pension or a partial lump sum payment. If a partial lump sum payment is to come first, the level of employment must be reduced by at least 30 per cent. Partial lump sum benefits can be taken in up to two stages.

[3] The insured may choose different partial retirement arrangements from those set out in paragraphs 1 and 2. It is up to the insured to clarify the question of tax deductibility.

[4] To the extent of the entitlement to a disability

pension under these regulations, early retirement is not possible.

5 If the insured becomes disabled as defined in the regulations after taking partial early retirement, he/she remains entitled to disability benefits under the part-time employment relationship still insured with Profond.

Art. 20 Deferred retirement

1 If, with his/her employer's agreement, the insured continues to work past regular retirement age (Art. 11, Para. 3), the retirement pension shall correspond to the accrued retirement savings, multiplied by the conversion rate that corresponds to the age at which the insured retires (see Annex 1).

2 Insurance cover will continue to the extent of the remaining degree of employment.

3 If the insured continues to work beyond his/her regular retirement age and becomes unable to work, he/she will have no entitlement to any waiver of contributions. However, the insured retirement benefit will become due upon cessation of gainful employment, or at the latest upon reaching the maximum possible retirement age (Art. 11 para. 3).

Art. 21 Lump-sum payment

1 If a lump sum is drawn, the retirement pension and co-insured benefits are reduced by the amount of the lump sum.

2 If the insured takes partial retirement, the maximum lump sum that can be drawn equals the remaining part-time employment relationship in percentage terms.

3 If the insured wants to draw the accrued retirement savings or part thereof in the form of a lump sum, he/she must submit a written declaration to this effect to Profond at least one month before retirement. Arrangements which differ from this must be specified in the Pension Plan.

4 If the insured is married, this declaration is only valid if the spouse has given his/her written consent and the spouse's signature has been either officially authenticated or confirmed by some equivalent method.

5 Ongoing disability pensions will be replaced by a retirement pension upon reaching regular retirement age. At this point, a recipient of a temporary disability pension may take all or part of the retirement pension in the form of a lump sum. If the retirement pension is reduced in accordance with Art. 34 of these regulations, the lump-sum payment will be reduced by the same proportion. In other respects, paragraphs 3 and 4 of this provision shall apply mutatis mutandis.

6 The applicant must bear all third-party costs and fees incurred in connection with the lump-sum payment.

Art. 22 AHV bridging pension

1 Insured who retire early and who are receiving neither an AHV retirement pension nor a whole IV pension from the Swiss Federal Disability Insurance may request Profond to pay them an AHV bridging pension. If the employer co-finances the AHV bridging pension, this must be specified in the Pension Plan.

2 If an AHV bridging pension is drawn, the pension or lump-sum payment is reduced on the basis of an actuarial calculation, unless the pension or lump-sum payment was previously financed in full in accordance with the actuarial principles.

3 The AHV bridging pension must not exceed the applicable maximum AHV pension at the time of retirement. Any partial disability pension from the Swiss Federal Disability Insurance will also be included in the calculation. Arrangements which differ from this must be specified in the Pension Plan.

4 Before the first pension payment, the insured determines the duration of the AHV bridging pension. If the employer is participating in the costs, the insured person must consult the latter beforehand. In all cases the bridging pension is paid at a maximum until the insured reaches regular AHV retirement age. If the pension recipient dies before the AHV bridging pension has been fully paid out, the cash value of the remaining pensions will be paid out as a lump sum to the surviving dependants in line with Art. 30 lit b).

Art. 23 Pensioner's child's pension

1 Recipients of a retirement pension are entitled to a pensioner's child's pension for every child that would be entitled to a regulatory orphan's pension on the death of the pensioner.

2 The pensioner's child's pension is paid from the same date as the retirement pension. It lapses when the underlying retirement pension lapses, or at the latest when the child is no longer entitled to a regulatory orphan's pension.

3 The amount of the annual pensioner's child's pension is specified in the Pension Plan.

Art. 24 General conditions for death benefits

1 A claim to death benefits arises if the insured

– was insured at the time of his/her death or upon the occurrence of incapacity for work, the cause of which led to death; or
– was at least 20 per cent but no more than 40 per cent disabled as the result of a congenital defect at the time when he/she started working and was insured for at least 40 per cent at the time that the level of the disability, the cause of which led to death, increased; or
– became disabled while still a minor and was therefore at least 20 per cent but no more than 40 per cent disabled at the time when he/she started working and was insured for at least 40 per cent at the time that the level of the disability, the cause of which led to death, increased; or
– received a retirement or disability pension from Profond at the time of death.

These benefits will be paid in the event of death as a result of illness or accident.

2 Death benefits are generally paid out in the form of a pension. A lump sum may only be paid out in cases expressly provided for in the Regulations.

Art. 25 Surviving spouse's pension

1 The spouse of a deceased insured is entitled to a lifelong surviving spouse's pension.

2 The entitlement to a surviving spouse's pension begins the month following the insured's death, but at the earliest with the month in which for the first time the deceased spouse's full salary, salary replacement benefits or pension is not paid.

3 The entitlement to a surviving spouse's pension lapses:

– if the surviving spouse remarries or enters into a registered partnership
– if the surviving spouse dies.

4 If the surviving spouse is more than ten years younger than the deceased insured, the surviving spouse's pension is reduced by 3 per cent of the full amount for each year or part of a year by which the eligible spouse is more than ten years younger than the deceased insured – but not by more than 50 per cent in total. However, the surviving spouse is at all times entitled to the minimum benefits payable under the BVG.

5 Only the minimum benefits under the BVG are paid if, at the time of marriage, the insured was older than the regular retirement age.

6 The surviving spouse is entitled to a pension regardless of age or the duration of the marriage, and regardless of whether the spouse has to support one or more children. The right to reduce the pension pursuant to Para. 4 is reserved.

7 The amount of the surviving spouse's pension is specified in the Pension Plan. Unless otherwise provided for in the Pension Plan applicable at the time of death of an insured recipient of a retirement or disability pension, the surviving spouse's pension shall equal 60 per cent of the last retirement or disability pension paid. After the death of an insured who continued to work past regular retirement age (deferred retirement), the amount of the surviving spouse's pension is equal to 60 per cent of the retirement pension that would have been paid out to the deceased insured at the time of his/her death.

8 Half of the surviving spouse's pension can be taken in the form of a lump sum. The applicant must bear the third-party costs and fees incurred in connection with the lump-sum payment.

Art. 26 Surviving spouse's retirement pension

Deleted (see Art. 62 Transitional provisions)

Art. 27 Partner's pension

1 Analogous to the conditions for entitlement to and reduction of the surviving spouse's pension, the same-sex or opposite-sex partner of the insured is entitled to a survivors' pension equal to the amount of the surviving spouse's pension, provided all of the following conditions are met:

– the insured and the beneficiary were not married or living in a registered partnership, and there were no legal grounds preventing their marriage or registration of their partnership
– at the time the pension entitlement commences, the surviving partner does not receive any survivor's benefits (such as a surviving spouse's or surviving partner's pension) and has received no corresponding lump-sum payment in the past
– the surviving partner and the insured demonstrably lived together in the same household and in an exclusive partnership for an uninterrupted period of at least five years before the death of the insured, or the partner supports at least one child resulting from their union
– Profond received a written declaration from the insured during his/her lifetime or a will after his/her death appointing his/her partner as a beneficiary. The will must contain an unequivocal reference to the occupational

pension.
2 The beneficiary must submit all documents required to investigate the claim at the latest three months after the death of the insured. An official confirmation of place of residence must be submitted as proof of having lived in the same household.
3 The applicant must bear all third-party costs and fees incurred.
4 The recipient of a surviving partner's pension loses his/her entitlement to the pension if he/she remarries, enters into a registered partnership or a new life partnership, or dies.
5 Half of the partner's pension can be taken in the form of a lump sum.

Art. 28 Divorced spouse's pension
The entitlement to and amount of a surviving spouse's pension for the divorced spouse of a deceased insured equal the minimum benefits payable under the BVG.

Art. 29 Orphan's pension
1 The children of a deceased insured are entitled to an orphan's pension.
2 Foster children and stepchildren are treated in the same way as biological children, provided the deceased insured was still responsible for their maintenance.
3 The entitlement to an orphan's pension begins with the month following the insured's death, but at the earliest with the first month for which the deceased insured's full salary, salary replacement benefits or pension is not paid.
4 The entitlement to benefits for orphans lapses upon the death of the orphan or on his/her 18th birthday. However, the entitlement shall remain valid until the orphan's 25th birthday in the following cases:
– if the orphan is still in education or training
– until the orphan is capable of working, if he/she is at least 70 per cent disabled as defined by the IV.
5 The amount of the orphan's pension is specified in the Pension Plan.
6 The amount of the orphan's pension is doubled if the child has lost both parents.

Art. 30 Lump sum payable at death/Additional lump sum payable at death
a) Lump sum payable at death
1 If an insured person dies before drawing a retirement pension and before reaching regular retirement age and no surviving spouse´s/partner´s or divorced spouse´s pension is payable, a lump sum payable at death will be paid.
2 Independent of the law of succession, the eligible persons are in the following order, with the proviso that a group higher in the order of precedence will exclude the group below it from entitlement to benefits:
aa) Eligible group 1:
Natural persons supported to a considerable extent by the insured at the time of his/her death; if none,
bb) Eligible group 2:
the children of the insured; if none,
cc) Eligible group 3:
the parents of the insured; if none,
dd) Eligible group 4:
the siblings of the insured.
3 Under Art. 252 SCC, foster children and stepchildren are treated in the same manner as the children, provided they were supported by the deceased insured.
4 Persons in eligible group 1 are only entitled to receive benefits if the insured registered their names with Profond during his/her lifetime or if a will naming the entitled parties was submitted after the death of the insured. The will must contain an unequivocal reference to the occupational pension.
5 The lump sum payable at death will, in principle, be divided equally. Within the respective eligible group, the insured may notify Profond in writing which persons are entitled to the lump sum, and in which proportions.
6 Persons claiming entitlement under this Article must notify Profond accordingly and submit all documents required to investigate the claim within a maximum of three months of the insured´s death. The applicant must bear all third-party costs and fees incurred.
7 In all cases, any payments made to persons named as beneficiaries will be determined on the basis of the circumstances which applied at the time of the insured´s death. If there are no beneficiaries, Profond will use the lump sum in accordance with the purpose of the Foundation.
8 The amount of the lump sum payable at death corresponds to the accrued retirement savings.
9 Purchases of additional retirement benefits under Art. 43 para. 2 of these Regulations will be paid out as a lump sum at the time of the

death of the insured person or recipient of a temporary disability pension, even if there is a spouse's, partner's or ex-spouse's pension. They will be reduced by the amount of any advance withdrawals for the promotion of home ownership or divorce payouts made during the period of insurance cover with Profond and will be increased by any repayments of such withdrawals or payouts including interest. The eligible persons are, independently of the law of succession, the dependants as specified in Art. 30 lit. b) para. 2.

10 Buy-ins of pension reductions in the event of early retirement under Art. 18 para. 3 of these regulations will always be paid out as a lump sum at the time of the death of the insured person or recipient of a temporary disability pension, even if there is a spouse's, partner's or ex-spouse's pension. The eligible persons are, independent of the law of succession, the dependants as specified in Art. 30 lit. b) para. 2.

b) Additional lump sum payable at death

1 If an insured person dies before drawing a retirement pension and before reaching regular retirement age, the additional lump sum payable at death will be paid, provided this is stipulated in the Pension Plan. The additional lump sum payable at death will be paid out regardless of other death benefits paid.

2 Independent of the law of succession, the eligible persons are in the following order, with the proviso that a group higher in the order of precedence will exclude the group below it from entitlement to benefits:

aa) Eligible group 1:
The spouse (Art. 25) or partner (Art. 27); if none,

bb) Eligible group 2:
natural persons supported to a considerable extent by the insured at the time of his/her death; if none,

cc) Eligible group 3:
the children of the insured; if none,

dd) Eligible group 4:
the parents of the insured; if none,

ee) Eligible group 5:
the siblings of the insured.

3 Under Art. 252 SCC, foster children and stepchildren are treated in the same manner as the children, provided they were supported by the deceased insured.

4 Persons in eligible group 2 are only entitled to receive benefits if the insured registered their names with Profond during his/her lifetime or if a will naming the entitled parties was submitted after the death of the insured. The will must contain an unequivocal reference to the occupational pension.

5 The additional lump sum payable at death will, in principle, be divided equally. Within the respective eligible group, the insured may notify Profond in writing which persons are entitled to the additional lump sum, and in which proportions.

6 Persons claiming entitlement under this Article must notify Profond accordingly and submit all documents required to investigate the claim within a maximum of three months of the insured´s death. The applicant must bear all third-party costs and fees incurred.

7 In all cases, any payments made to persons named as beneficiaries will be determined on the basis of the circumstances which applied at the time of the insured´s death. If there are no beneficiaries, Profond will use the lump sum in accordance with the purpose of the Foundation.

8 The amount of the lump sum payable at death is specified in the Pension Plan.

Art. 31 Disability pension

1 The following insured are entitled to a temporary disability pension:

- an insured who is at least 40 per cent disabled and was insured with Profond at the time the illness/injury which led to disability was incurred
- was at least 20 per cent but no more than 40 per cent disabled as the result of a congenital defect at the time when he/she started working and was insured for at least 40 per cent at the time that the level of the disability, the cause of which led to disability, increased
- became disabled while still a minor and was therefore at least 20 per cent but no more than 40 per cent disabled at the time when he/she started working and was insured for at least 40 per cent at the time that the level of the disability, the cause of which led to disability, increased.

These benefits will be paid in the event of disability as a result of illness or accident.

2 The insured is entitled to a full disability pension if he/she is at least 70 per cent disabled as defined by the IV, 75 per cent of the disability pension if he/she is at least 60 per cent disabled, 50 per cent of the disability pension if he/she is at least 50 per cent disabled, and 25 per cent of the disability pension if he/she is at least

40 per cent disabled.

3 The entitlement to a disability pension begins at the earliest upon entitlement to an IV pension. The entitlement is deferred for as long as the insured receives salary payments or salary replacement benefits of any kind that amount to at least 80 per cent of the lost salary, and at least half of the daily benefits insurance has been financed by the employer.

4 Subject to Art. 31a, the entitlement to a disability pension lapses if the disability is healed, if the insured reaches retirement age, or dies.

5 The disability pension is calculated on the basis of the insured risk component of the salary valid at the time that the incapacity for work underlying the claim to a disability pension occurred.

6 If the level of disability changes, the case is re-examined and the benefits adjusted, if necessary.

7 The amount of the annual disability pension is specified in the Pension Plan.

8 Disability benefits can only be paid in the form of a pension.

Art. 31a Provisional continuation of insurance and maintenance of entitlement to benefits after reduction in or ending of disability insurance pensions

1 If the disability insurance pension is reduced or ended after a decrease in the degree of disability, the insured person remains insured with Profond for a period of three years at the same conditions, provided that, prior to the reduction in or ending of the pension, the insured person participated in reintegration measures pursuant to Art. 8a IVG or that the pension was reduced or ended due to a resumption of employment or an increase in the employment level.

2 Insurance cover and entitlement to benefits will be maintained for as long as the insured person receives transitional benefits pursuant to Art. 32 IVG.

3 During such time as insurance cover is continued and entitlement to benefits is maintained, Profond may reduce the disability pension in accordance with the decrease in the degree of disability of the insured person, but only to the extent that said reduction is offset by the insured person's additional income.

4 During such time as insurance cover is continued and entitlement to benefits is maintained, neither the insured person nor his/her employer will be liable to pay a contribution on the newly earned salary.

Art. 32 Disabled person's child's pension

1 Recipients of a disability pension are entitled to a disabled person's child's pension for every child that will be entitled to a regulatory orphan's pension on the death of the insured.

2 The disabled person's child's pension is paid from the same date as the disability pension.

3 Subject to Art. 31a, it lapses when the underlying disability pension lapses, but at the latest when the child is no longer entitled to a regulatory orphan's pension.

4 The amount of the annual disabled person's child's pension is specified in the Pension Plan.

3. Common provisions applying to benefits

Art. 33 Waiver of contributions

a) In the event of an incapacity to work

1 Insured persons who are unable to work and their employers are entitled to a waiver of contributions. Pension provision for such employees is maintained based on the insured savings or risk component of their salary at the onset of incapacity. The contribution waiver begins with the onset of incapacity for work, but at the earliest after the waiting period specified in the Pension Plan. If no waiting period is stipulated in the Pension Plan, a waiting period of six months applies.

2 The extent of the contribution waiver is based on the level of the Swiss Federal Disability Insurance pension.

3 Entitlement to a waiver of premiums lapses on termination of the pension relationship (Art. 7), if the insured has been fully or partially reintegrated into the workforce, if the insured reaches the regular retirement age or if he/she dies, but no later than after 720 days from the onset of incapacity for work.

4 Where incapacity to work is interrupted by a period of more than 60 per cent capacity to work lasting more than six months, the waiting period will start afresh.

b) In the event of disability

1 Recipients of a disability pension are entitled, during the period of payment of such disability pension, to continued pension cover, without having to pay contributions, based on the insured savings or risk component of the insured's salary at the onset of incapacity to

work.
2 The extent of the contribution waiver is based on the level of the Swiss Federal Disability Insurance pension.
3 Subject to Art. 31a, entitlement to a waiver of premiums lapses if the insured has been fully or partially reintegrated into the workforce, if the Swiss Federal Disability Insurance discontinues payment of benefits, if the insured person reaches the regular retirement age or if he/she dies.

c) In the event of death

Deleted (see Art. 62 Transitional provisions)

Art. 34 Overlapping benefits in the event of disability and death

1 Benefits paid by Profond shall be curtailed such that, together with other qualifying income, they do not exceed 90 per cent of the presumed earnings lost. As a rule, the presumed loss of income is calculated on the basis of the non-disabled income defined by the IV. In the cases referred to in Art. 9 Para. 12, the previous qualifying annual salary serves as the basis for calculating the presumed earnings lost.
2 Qualifying income includes all benefits paid to the eligible person, in particular:
a) AHV and IV
b) accident insurance
c) military insurance
d) foreign social insurance
e) other pension schemes
f) daily benefits insurance
g) benefits paid by a liable third party
h) benefits paid by a pension scheme in the context of a share of the pension awarded to the ex-spouse under a divorce settlement.

Lump-sum payments are offset at their paid-up pension value.
3 Payments to recipients of partial disability benefits are also offset against any income from gainful employment or substitute income that the insured still earns that he/she may reasonably be expected to earn. The hypothetical income from gainful employment or substitute income is calculated based on the disability income, or the income that would be achievable were it not for the disability, as defined by the IV. This does not apply for Art. 31a and 33 lit. b) Para. 3.
4 Any additional, insured lump sums payable at death provided for by the Pension Plan, satisfaction payments, care allowances, allowances for physical or mental impairment and similar benefits, are not taken into account.
5 After reaching regular AHV retirement age, retirement benefits from Swiss and foreign social insurance bodies and pension schemes are also deemed to be creditable income, with the exception of care allowances, lump sum settlements and similar benefits. Profond may reduce its benefits if, together with other creditable income, they exceed 90 per cent of that amount which, on performing an excess compensation calculation immediately prior to retirement age, was deemed to be presumed earnings lost.
6 The date upon which benefits overlap is the date used to calculate the curtailed benefits paid by Profond. The regulatory benefits are recalculated if the situation changes substantially. This does not apply for Art. 31a and 33 lit. b) Para. 3.
7 The Board of Trustees may decide to lessen the reduction in cases of hardship or if the inflation rate is very high.
8 Profond is not obliged to compensate for benefits refused or reduced by the accident insurance or military insurance, including benefits refused or reduced after reaching retirement age. No compensation need be provided for other benefits reduced after reaching regular retirement age or for other benefits reduced or refused on the grounds that the insured was at fault.
9 Self-employed persons who do not have UVG accident insurance will be treated in the same way as if they did have such insurance.

Art. 35 Subrogation

At the time of the insured event, Profond succeeds to the rights (up to the amount of the BVG minimum benefits) of the insured or of the eligible person vis-à-vis a third party who is liable for the insured event. Profond may also require the insured or the eligible person to assign their claims against liable third parties to Profond up to the amount of Profond´s duty to provide benefits. If such claims are not assigned, Profond shall be entitled to withhold its benefits. Claims for compensation need not to be assigned.

Art. 36 Reduction for gross negligence

Profond may reduce its benefits to the same extent if the AHV/IV, accident insurance or other insurer reduces, withdraws or withholds a benefit because the eligible person has caused the death or disability through gross negligence or resists the IV’s efforts to re-integrate him/her into the workforce.

Art. 37 Reimbursement

1 Benefits paid out in error must be reimbursed to Profond.

2 Such benefits can be deducted from outstanding claims to benefits.

Art. 38 Exceptional additional payments

1 Each year the Board of Trustees considers whether to make any exceptional additional payments or cost-of-living adjustments to current retirement pensions depending on the financial circumstances of Profond.

2 It takes into account the interest rate applicable to the retirement savings of insured persons as well as the level of current pensions over time, and seeks to ensure that insured persons and pension recipients are treated equally.

3 There is no entitlement for pension recipients to keep an exceptional additional payment, even if one has been paid out several times.

Art. 39 Payment

1 Benefits are paid out as soon as all documents required to verify the entitlement and determine the start date and level of benefits have been submitted, or a legally valid decision is available.

2 Subject to Art. 89c BVG, Profond only performs its obligations in Switzerland and Liechtenstein. The costs and risks associated with transfers of benefit payments abroad must be borne by the benefit recipient.

3 Benefits are generally paid directly into the bank account or postal account of the eligible person.

4 Pensions are rounded to the nearest Swiss franc, and are paid in monthly instalments. Pension payments are due at the end of every month.

5 The pension for the month in which entitlement to a pension lapses is paid in full.

6 Lump-sum payments fall due on the date upon which the first monthly pension would be paid. Lump-sum payments are paid out in a single amount. These provisions apply subject to measures in response to dereliction of maintenance obligations (Art. 40 BVG).

7 If at the time a pension falls due, the annual retirement pension or the disability pension for full disability amounts to less than 10 per cent, the surviving spouse's pension to less than 6 per cent, and a child's pension to less than 2 per cent of the minimum AHV retirement pension, Profond will pay out a lump sum instead of a pension. Provided the eligible person has fully complied with their duty to cooperate, interest will be paid on the pension and lump sum payments at the BVG minimum interest rate after a period of 30 days following receipt of all the relevant documents.

Art. 40 Advance benefits

1 If an insured event gives rise to an entitlement to social insurance benefits, but doubt exists as to whether the accident insurance, military insurance or occupational retirement, survivors' and disability insurance under the BVG has to pay the benefits, the eligible person can request advance benefits.

2 Any advance benefits paid by Profond will equal the minimum benefits payable under the BVG. If the case is taken over by another body, that body must reimburse the advance benefits up to the limit of its obligation to provide benefits.

4. Financing

Art. 41 Obligation to contribute

1 Contributions are due from the first day of the month in which the pension relationship begins (Art. 6). However, if the pension relationship begins after the 15th day of the month, contributions are only due from the first day of the next month.

2 The employer must transfer all the contributions to Profond, even if only the employee is obliged to pay contributions (e.g. in the case of voluntary insurance cover as per Art. 7, Para. 4). The employer deducts the employee contribution component from the insured's salary or substitute salary each month, and transfers the employee and employer contributions to Profond together.

3 The employer's contributions must equal at least the total of all contributions by the insured. Contributions pursuant to Art. 9 Para. 12 are exempt from this requirement.

4 During the waiting period (Art. 33), the employer must pay the contributions.

5 The obligation to pay contributions ends:

- when the pension relationship ends (Art. 7)
- when a retirement pension falls due, and to the extent of the retirement pension
- at the end of the month in which death occurs.

In this case, contributions must be paid up to the last day of the month. However, if the pension relationship ends before the 16th day of the month, contributions are only due up to the last day of the previous month.

Art. 42 Contributions

1 The type and amount of the employer and employee contributions are specified in the Pension Plan.
2 In the case of an increased risk of disability or death, Profond reserves the right to charge a contribution supplement.
3 If retirement has been deferred, no risk contributions are payable. Other contributions and costs must be paid until the retirement benefits are drawn.
4 For the processing of applications involving more than simply clarifying a claim under the regulations, Profond will make a charge in accordance with Annex 4 to compensate for the administrative work entailed. This charge, including any costs incurred as a result of submitting an application to a third party, shall be borne by the applicant or the party responsible for such costs.

Art. 43 Benefits brought into the fund; purchase of additional benefits

1 New insureds must transfer all vested benefits from previous pension funds to Profond.
2 An insured who is not entitled to the maximum benefits may purchase additional benefits until he/she reaches retirement age, or until reaching age 70 at the latest. Under the same conditions a recipient of a temporary disability pension may purchase additional benefits on the basis of the insured savings component of his or her salary which serves as the determining factor for the continuing accrual of retirement credits.
3 However, additional benefits can only be purchased if all advance withdrawals of occupational benefits under the promotion of home ownership scheme have been repaid in full, or the repayments of such are no longer legally permitted.
4 Profond calculates the maximum amount for which the insured may purchase additional benefits on the basis of its actuarial principles. Information on the amount of the possible additional benefits purchased can be requested from Profond.
5 If additional benefits were purchased, the benefits purchased with this sum may not be drawn in the form of a lump sum during the next three years; this also includes advance withdrawals under the promotion of home ownership scheme.
6 Pension provision for the insured staff can be improved by means of single or recurrent payments made into the fund by the employer, subject to compliance with the principles of collective benefit, systematic planning, appropriateness, equal treatment and exclusivity.

Art. 44 Interest rates

1 The Board of Trustees determines the technical interest rate used to calculate the actuarial reserves and for Profond's accounts after consulting the occupational pensions expert. It is designed to be appropriate to Profond's circumstances and capable of being maintained for as long as possible.
2 The interest rate relevant for advance calculation of retirement assets, retirement pensions and the prospective retirement pension is known as the projection interest rate. It is equal to Profond's technical interest rate.
3 The interest rate that applies to the regulatory retirement assets is revised and fixed annually by the Board of Trustees, which takes account of Profond's financial circumstances. Any interest above the technical interest rate constitutes an improvement in benefits and may only be granted under the terms of Art. 46 BVV2.
4 The interest rate used to calculate the BVG minimum benefits is the BVG minimum interest rate set by the Federal Council.

5. Vested benefits upon termination of membership

Art. 45 Payment date for vested benefits

1 If the pension relationship is terminated before an insured event occurs and no benefits under these regulations are due, the insured leaves Profond at the end of the last day of his/her employment relationship, and the vested benefits fall due.
2 Vested benefits must earn interest at the BVG interest rate pursuant to Art. 15 Para. 2 BVG from the first day after the insured has left Profond.
3 Interest on arrears pursuant to Art. 7 FZV only has to be paid if the vested benefits are not transferred within 30 days after Profond received the required instructions on the use of the vested benefits.
4 The insured may also request payment of vested benefits if he/she leaves Profond at some point between his/her earliest possible retirement age and the regular retirement age under the regulations and continues to work or is

registered unemployed.
5 At the end of the period of provisional continuation of insurance and maintenance of entitlement to benefits pursuant to Art. 31a, the insured person whose disability insurance pension was reduced or ended in accordance with the decrease in the degree of disability is entitled to a payment of vested benefits.

Art. 46 Amount of the vested benefits
1 The vested benefits are calculated in accordance with Art. 15, 17 and 18 FZG. The vested benefits equal the higher of the amounts calculated in accordance with the following methods of calculation.
2 Calculation method 1 (retirement savings, Art. 15 and 18 FZG):
The vested benefits equal the regulatory retirement savings accrued up to the date of withdrawal.
3 Calculation method 2 (minimum amount, Art. 17 FZG):
The vested benefits equal the sum of:
– the vested benefits brought into the fund and all amounts for which additional benefits were purchased, plus interest – the interest rate equals the minimum BVG interest rate, and
– the savings contributions paid by the insured, with interest (the interest rate equals the minimum BVG interest rate), plus a supplement of 4 per cent per year from the age of 20, but no more than 100 per cent. No supplement of 4 per cent per year from the age of 20 will be calculated for contributions pursuant to Art. 9 Para. 12.
4 Any part of the purchase price paid by the employer is deducted from the vested benefits. This deduction decreases by one-tenth of the amount paid by the employer for every contribution year. The unused part is allocated to the employer's employer contribution reserve fund.

Art. 47 Utilization of vested benefits
1 The vested benefits are transferred to the account of the insured with his/her new pension fund.
2 Insured who are not joining a new pension fund must inform Profond if their vested benefits should be used:
– to open a vested benefits account, or
– to set up a vested benefits policy.
If Profond receives no such notification, the vested benefits, together with the BVG minimum interest, will be transferred to the National Substitute Pension Plan Foundation (Stiftung Auffangeinrichtung BVG) at the earliest six months, but not later than two years after the vested benefits become due.
3 On request of the insured leaving Profond, the vested benefits are paid out in cash if:
– he/she leaves Switzerland permanently. This is subject to the agreement on the free movement of persons with the EU and various bilateral agreements, including with the EFTA, or if he/she lives in the Principality of Liechtenstein.
– he/she becomes self-employed and is no longer subject to the compulsory occupational benefits insurance
– the vested benefits amount to less than the insured's annual contribution.
4 If the insured leaving Profond is married, cash payment is only permitted if the spouse has given his/her written consent for cash payment, and the spouse's signature has been either officially authenticated or confirmed by some equivalent method.
5 The applicant must bear all third-party costs and fees incurred in connection with cash payment.

6. Divorce and financing of residential property

Art. 48 Divorce
1 If part of the vested benefits or part of a lifelong pension of an insured is awarded to the entitled spouse under a divorce decree issued by a court, the insured benefits of the insured are reduced accordingly.
2 If the obligated spouse becomes entitled to retirement benefits during the divorce process or if he or she is receiving a disability pension and reaches ordinary retirement age during the divorce process, Profond will reduce the proportion of the vested benefits to be transferred and the retirement pension of the insured within the framework permitted by the law (Art. 19g Federal Ordinance on Vesting in Pension Plans (FZV)).
3 Profond will make a deduction from vested benefits or a lifelong pension to be transferred in the ratio of the BVG retirement assets to the extra-mandatory retirement assets.
4 The insured can at any time repurchase the benefits transferred to the spouse. The amounts repurchased will be allocated to the BVG retirement assets and the extra-mandatory retirement assets based on the same ratio as when

the deductions were made.
5 Profond will transfer the share of the obligated spouse's vested benefit to the pension fund or vested benefits institution of the entitled spouse.
6 Profond will pay the lifelong pension to the entitled spouse or transfer it to his or her pension fund. If the entitled spouse is eligible for a full disability pension or has reached the minimum age for early retirement, he or she may request payment of this pension. If he or she has reached ordinary retirement age, the pension will be paid to him or her or transferred to his or her pension fund if he or she is still eligible to purchase benefits under that pension fund's rules. If Profond does not pay the lifelong pension itself, it will transfer it to the pension or vested benefits institution of the entitled spouse in accordance with the procedure set out in Art. 19j of the Federal Ordinance on Vesting in Pension Plans (FZV) (in the absence of relevant details the transfer will go to the National Substitute Pension Plan). Interest will be paid on the amount of the annual transfer at an interest rate equal to half of the interest rate applicable for the relevant year under the regulations in accordance with Art. 44 para. 3. Instead of transferring the pension, Profond may reach agreement with the entitled spouse to pay a one-off settlement in the form of a lump sum.

Art. 49 Early withdrawal or pledging of benefits to finance residential property
1 An insured person may request an advance withdrawal of benefits (at least CHF 20,000) to finance residential property for own use (purchase and construction of residential property, shares in residential property or repayment of mortgages) up to three years before reaching regular retirement age, provided no insured event has occurred.
2 'Own use' in this context refers to the use of the property by the insured as a domicile or place of usual residence.
3 However, he/she can also pledge his/her claim to vested and/or pension benefits for the same purpose.
4 Until the age of 50 the insured may withdraw or pledge an amount equal to his/her accrued vested benefits. Insured older than 50 are only entitled to the accrued vested benefits at the age of 50, or half of the vested benefits at the time of the advance withdrawal.
5 The insured may request information on the amount available to finance residential property and on the reduction in benefits associated with such an advance withdrawal. Profond will then inform the insured of the option to eliminate any gaps in insurance cover and the obligation to pay tax on advance withdrawals.
6 If the insured uses the option to make an advance withdrawal or to pledge benefits, he/she must submit a written request and all documents that adequately prove the purchase or construction of residential property, the purchase of shares in residential property or the repayment of mortgages to Profond.
7 If the insured is married, the written consent of the spouse is required, and the authenticity of the spouse's signature must be officially certified or confirmed by equivalent evidence.
8 An advance withdrawal leads to a reduction in the insured benefits. This reduction is calculated in accordance with the actuarial principles. It will be debited in equal proportions from the BVG retirement assets and the extramandatory retirement assets.
9 An advance withdrawal can be made every five years at most.
10 If the insured sells the residential property or grants title to the residential property that is economically equivalent to a sale or if on the death of the insured person no pension benefit is due, the insured person or his/her heirs must repay the advance withdrawal to Profond. The repayment will be allocated to the BVG retirement assets and the extra-mandatory retirement assets based on the same ratio as when the deductions were made.
11 The repayment obligation remains in force until three years before the insured reaches the regular retirement age.
12 In the event of a shortfall in cover, Profond can place a limit on the time and amount of the advance withdrawal if its purpose is the repayment of a mortgage.
13 If the liquidity of Profond is endangered by advance withdrawals, it may defer the processing of applications. Profond will determine the order of priority according to which applications will be processed.
14 A fee to cover administration costs will be charged for processing the application. The applicant must bear any official costs and fees incurred in connection with the advance withdrawal or pledge (see point 3.5 Annex 4).

7. Organization, administration and control

Art. 50 Board of Trustees
1 The Board of Trustees manages and monitors the business of Profond, represents Profond vis-à-vis third parties and determines the signatory power.
2 The Board of Trustees consists of a minimum of six members.
3 The Trustees' term of office is four years.
4 The Foundation Deed and the Organization Regulations contain more information on the organization and duties of the Board of Trustees.

Art. 51 Staff Pension Scheme Committee
The organization and duties of the Staff Pension Scheme Committee are governed by the organizational regulations.

Art. 52 Management; financial year
1 Profond's management manages the day-to-day business of Profond under the supervision of the Board of Trustees and in accordance with the Organization Regulations and Investment Regulations.
2 The management periodically submits a report on business activities to the Board of Trustees, and informs the Board of Trustees of special incidents immediately.
3 The annual financial statements are closed on 31 December. The accounts are drawn up in accordance with the statutory provisions.

Art. 53 Statutory auditors; pension actuary
1 The Board of Trustees delegates the annual audit of Profond's management, accounts and assets to accredited, independent statutory auditors. This individual or institution reports the results of the audit in writing.
2 The Board of Trustees mandates an accredited, independent pension actuary to check Profond regularly, but at least every three years. If the pension actuary identifies an actuarial shortfall, the Board of Trustees decides on the necessary restructuring measures after consultation with the pension actuary.

Art. 54 Duty of confidentiality
The members of the Board of Trustees and all persons involved in the management, administration, auditing or supervision of Profond must maintain confidentiality about the personal and financial data of the insured and the employer.

8. Other provisions

Art. 55 Information for the insured
1 Profond must provide the insured with all information in accordance with the legal regulations, in particular pertaining to:
– the insured/pensionable salary
– the benefits
– the contributions
– the retirement savings
– the financing
– the organization of Profond
– the members of the Board of Trustees.
2 On request, the insured must also be given information in an appropriate format on the return on investments, the actuarial risk experience, the administrative costs, the calculation of the actuarial reserves, the forming of provisions and the cover ratio.
3 The annual financial statements and annual report must be handed to the insured person on request.
4 Profond must inform the Staff Pension Scheme Committee if any employer contributions are outstanding.
5 On request, the Staff Pension Scheme Committee provides the insured with information on their pension fund and the resolutions that were passed.
6 Disputes regarding the right of the insured to information may be submitted to the supervisory authority for a judgement pursuant to Art. 62 Para. 1 lit. e BVG.

Art. 56 Value fluctuation reserves and provisions
The calculation and formation of value fluctuation reserves and actuarial provisions are dealt with in the investment regulations and the regulations on provisions.

Art. 57 Disposable assets
Funds reported as disposable assets can be used within the limits of the legal provisions.

Art. 58 Employer contribution reserves
The employer has the option of accruing a separately reported employer´s contribution reserve. At the employer´s request, the employer´s contributions can be paid out of this reserve.

Art. 59 Measures in the event of a cover shortfall

[1] If Profond has a cover shortfall which the occupational pension actuary believes is a threat to the security of the benefits defined in the regulations, the Board of Trustees shall arrange suitable measures to promptly offset the shortfall in actuarial terms. In compliance with the statutory provisions, Profond may take the following measures in particular:

- Adjustments to the investment strategy
- Adjustments on the financing/benefits side
- Reduction in the internal remuneration for the duration of the shortfall
- Restrictions on early withdrawals of benefits to finance residential property for the duration of the shortfall.

[2] Affiliated employers may contribute to a separate «Employer contribution reserve fund with a waiver of usage». They may also transfer any available funds from the ordinary employer contribution reserve fund to this account. Once the shortfall has been eliminated, the transfer to the ordinary employer contribution reserve will take place within the framework of statutory provisions.

[3] If the measures pursuant to Para. 1 and 2 do not achieve the desired purpose, for the duration of the shortfall Profond may levy contributions from employees, employers or pensioners, in the case of the latter offsetting such contributions against current pensions. Contributions may be charged in a non-returnable fashion or in the form of contribution reserves with a usage restriction, or may be deducted from existing, affiliation-related contribution reserves or disposable assets.

[4] If Profond's cover shortfall exceeds 10 per cent at the time the affiliation contract is terminated ("significant underfunding"), the employer shall undertake to offset the underfunding on both the retirement capital of the pension fund's insured persons and the retirement capital of the pension fund's pension recipients by the time the contract is terminated ("employer's obligation to furnish additional cover"). Prior to termination, Profond is entitled – should significant underfunding be imminent – to require the employer to make a commensurate payment on account. If the conditions for a partial liquidation of Profond are fulfilled (Art. 5 Partial liquidation regulations 2017), the employer's obligation to furnish additional cover will be reduced to the extent of any reduction in the insured persons' vested benefits upon termination of membership and in the pension capital of pension recipients who are leaving Profond.

Art. 60 Partial liquidation

The conditions for a partial liquidation and the liquidation procedure are set out in partial liquidation regulations.

Art. 61 Gaps in the regulations; disputes

[1] Any special cases and situations not mentioned in these regulations are decided by analogous application of the legal provisions.

[2] Any disputes may be submitted to the competent court pursuant to Art. 73 BVG.

Art. 62 Transitional provisions

A temporary surviving spouse's pension which already came into being prior to the entry into force of these Pension Fund Regulations will be paid until such time as the deceased insured would have reached regular retirement age and will subsequently be converted into a surviving spouse's retirement pension. In these cases, the Pension Fund Regulations in force up until 31 December 2017 will apply; the Board of Trustees may periodically adjust the relevant conversion rates for surviving spouses' retirement pensions. In the case of deaths occurring up until 31 December 2017, entitlement to survivors' will be governed by the Pension Fund Regulations in force until 31 December 2017.

Art. 63 Entry into force; amendments

[1] With the exception of Art. 59 Para. 4, these Regulations come into force on 1 January 2018. They replace the Regulations dated January 2017. Art. 59 Para. 4 of these Regulations will enter into force on 1 January 2019.

[2] The Board of Trustees may amend the regulations at any time in compliance with the legal provisions and the Foundation's purpose. Amendments must be submitted to the supervisory authority.

The Board of Trustees
Zurich, 26 October 2017

Annexes to pension fund regulations

Annex 1:
Retirement pension conversion rates (CR)

The retirement pension is calculated from the retirement assets at the time of entering retirement multiplied by the relevant conversion rate shown in the table below.

Age	CR
58	5,4 %
59	5,6 %
60	5,8 %
61	6,0 %
62	6,2 %
63	6,4 %
64	6,6 %
65	6,8 %
66	7,0 %
67	7,2 %
68	7,4 %
69	7,6 %
70	7,8 %

Intermediate values will be interpolated.

Conversion rates under the transitional arrangement

The Board of Trustees has decided to gradually reduce the conversion rate from 7,2% to 6,8% starting in 2014. This change will take place under a five-year transitional arrangement between 2014 and 2018.

The conversion rate was reduced for the first time in 2015.

Age	Pension conversion rate in				
	2014	2015	2016	2017	2018
58	5,8	5,7	5,6	5,5	5,4
59	6,0	5,9	5,8	5,7	5,6
60	6,2	6,1	6,0	5,9	5,8
61	6,4	6,3	6,2	6,1	6,0
62	6,6	6,5	6,4	6,3	6,2
63	6,8	6,7	6,6	6,5	6,4
64	7,0	6,9	6,8	6,7	6,6
65	7,2	7,1	7,0	6,9	6,8
66	7,4	7,3	7,2	7,1	7,0
67	7,6	7,5	7,4	7,3	7,2
68	7,8	7,7	7,6	7,5	7,4
69	8,0	7,9	7,8	7,7	7,6
70	8,2	8,1	8,0	7,9	7,8

Intermediate values will be interpolated.

Illustrative calculations using the conversion rate

The old age pension for a male salaried employee wishing to enter ordinary retirement in October 2018 with retirement assets of CHF 300’000 (pension payments as of November 2018) is calculated as follows:

Retirement assets	CHF 300’000
Conversion rate	6,8%
CHF 300’000 * 6,8%	= CHF 20’400 a year = CHF 1’700 a month

The old age pension for a female salaried employee wishing to retire early at the age of 62 in July 2018 with retirement assets of CHF 450’000 (pension payments as of August 2018) is calculated as follows:

Retirement assets	CHF 450’000
Conversion rate	6,2%
CHF 450’000 * 6,2%	= CHF 27’900 a year = CHF 2’325 a month

Annex 2:
Conversion rates for surviving spouse's retirement pensions

Deleted (see Art. 62 Transitional provisions)

Annex 3:
Financing of reduction in retirement pension in the event of early retirement for men

Age at time of financing of early retirement	Desired retirement age							
	58	59	60	61	62	63	64	65
	Factors for the maximum possible purchase and for calculation of retirement pension							
26	7,888	7,510	7,145	6,792	6,452	6,123	5,805	5,498
27	8,125	7,735	7,359	6,996	6,645	6,307	5,979	5,663
28	8,368	7,967	7,580	7,206	6,845	6,496	6,159	5,833
29	8,619	8,207	7,808	7,422	7,050	6,691	6,344	6,008
30	8,878	8,453	8,042	7,645	7,262	6,891	6,534	6,188
31	9,144	8,706	8,283	7,874	7,480	7,098	6,730	6,374
32	9,419	8,967	8,532	8,111	7,704	7,311	6,932	6,565
33	9,701	9,237	8,788	8,354	7,935	7,530	7,140	6,762
34	9,992	9,514	9,051	8,604	8,173	7,756	7,354	6,965
35	10,292	9,799	9,323	8,863	8,418	7,989	7,575	7,174
36	10,601	10,093	9,602	9,129	8,671	8,229	7,802	7,389
37	10,919	10,396	9,890	9,402	8,931	8,476	8,036	7,611
38	11,246	10,708	10,187	9,684	9,199	8,730	8,277	7,839
39	11,584	11,029	10,493	9,975	9,475	8,992	8,525	8,074
40	11,931	11,360	10,808	10,274	9,759	9,262	8,781	8,317
41	12,289	11,701	11,132	10,582	10,052	9,539	9,044	8,566
42	12,658	12,052	11,466	10,900	10,353	9,826	9,316	8,823
43	13,037	12,413	11,810	11,227	10,664	10,120	9,595	9,088
44	13,429	12,785	12,164	11,564	10,984	10,424	9,883	9,360
45	13,831	13,169	12,529	11,911	11,313	10,737	10,180	9,641
46	14,246	13,564	12,905	12,268	11,653	11,059	10,485	9,930
47	14,674	13,971	13,292	12,636	12,002	11,391	10,800	10,228
48	15,114	14,390	13,691	13,015	12,363	11,732	11,123	10,535
49	15,567	14,822	14,101	13,406	12,733	12,084	11,457	10,851
50	16,034	15,267	14,524	13,808	13,115	12,447	11,801	11,177
51	16,515	15,725	14,960	14,222	13,509	12,820	12,155	11,512
52	17,011	16,196	15,409	14,649	13,914	13,205	12,520	11,858
53	17,521	16,682	15,871	15,088	14,332	13,601	12,895	12,213
54	18,047	17,183	16,347	15,541	14,761	14,009	13,282	12,580
55	18,588	17,698	16,838	16,007	15,204	14,429	13,680	12,957
56	19,146	18,229	17,343	16,487	15,660	14,862	14,091	13,346
57	19,720	18,776	17,863	16,982	16,130	15,308	14,514	13,746
58	20,312	19,339	18,399	17,491	16,614	15,767	14,949	14,159
59		19,919	18,951	18,016	17,113	16,240	15,398	14,583
60			19,520	18,556	17,626	16,727	15,859	15,021
61				19,113	18,155	17,229	16,335	15,471
62					18,699	17,746	16,825	15,936
63						18,278	17,330	16,414
64							17,850	16,906
65								17,413

Valid until 31 December 2018. Intermediate values will be interpolated.

Example: Man, age 45, chosen retirement age: 63,
Cost of retirement pension of CHF 1'000: CHF 1'000 * 10,737 = CHF 10'737

Financing of reduction in retirement pension in the event of early retirement for women

	Desired retirement age						
Age at time of financing of early retirement	58	59	60	61	62	63	64
	Factors for the maximum possible purchase and for calculation of retirement pension						
26	7,636	7,257	6,890	6,536	6,193	5,861	5,541
27	7,865	7,475	7,097	6,732	6,379	6,037	5,707
28	8,101	7,699	7,310	6,934	6,570	6,218	5,879
29	8,344	7,930	7,529	7,142	6,767	6,405	6,055
30	8,595	8,168	7,755	7,356	6,970	6,597	6,237
31	8,853	8,413	7,988	7,577	7,179	6,795	6,424
32	9,118	8,665	8,228	7,804	7,395	6,999	6,616
33	9,392	8,925	8,474	8,038	7,617	7,209	6,815
34	9,673	9,193	8,729	8,279	7,845	7,425	7,019
35	9,964	9,469	8,990	8,528	8,080	7,648	7,230
36	10,263	9,753	9,260	8,784	8,323	7,877	7,447
37	10,570	10,046	9,538	9,047	8,572	8,114	7,670
38	10,888	10,347	9,824	9,318	8,830	8,357	7,900
39	11,214	10,657	10,119	9,598	9,095	8,608	8,137
40	11,551	10,977	10,422	9,886	9,367	8,866	8,381
41	11,897	11,306	10,735	10,183	9,648	9,132	8,633
42	12,254	11,646	11,057	10,488	9,938	9,406	8,892
43	12,622	11,995	11,389	10,803	10,236	9,688	9,159
44	13,000	12,355	11,731	11,127	10,543	9,979	9,433
45	13,390	12,725	12,082	11,461	10,859	10,278	9,716
46	13,792	13,107	12,445	11,804	11,185	10,586	10,008
47	14,206	13,500	12,818	12,159	11,521	10,904	10,308
48	14,632	13,905	13,203	12,523	11,866	11,231	10,617
49	15,071	14,323	13,599	12,899	12,222	11,568	10,936
50	15,523	14,752	14,007	13,286	12,589	11,915	11,264
51	15,989	15,195	14,427	13,685	12,967	12,273	11,602
52	16,468	15,651	14,860	14,095	13,356	12,641	11,950
53	16,962	16,120	15,306	14,518	13,756	13,020	12,308
54	17,471	16,604	15,765	14,953	14,169	13,411	12,678
55	17,995	17,102	16,238	15,402	14,594	13,813	13,058
56	18,535	17,615	16,725	15,864	15,032	14,227	13,450
57	19,091	18,143	17,227	16,340	15,483	14,654	13,853
58	19,664	18,688	17,743	16,830	15,947	15,094	14,269
59		19,248	18,276	17,335	16,426	15,547	14,697
60			18,824	17,855	16,918	16,013	15,138
61				18,391	17,426	16,493	15,592
62					17,949	16,988	16,060
63						17,498	16,541
64							17,038

Valid until 31 December 2018. Intermediate values will be interpolated.

Example: Woman, age 45, chosen retirement age: 63,
Cost of retirement pension of CHF 1'000: CHF 1'000 * 10,278 = CHF 10'278

Annex 4:
Schedule of costs for extraordinary services

1. General
This annex sets out the cost contributions Profond charges to the employer or insured persons for extraordinary services not covered by the ordinary cost contributions.

2. Ordinary cost contributions
The following services in particular are covered by the ordinary cost contributions:

- Administration of insured persons and pensioners
- Processing of new entries, deposits, and departures
- Calculation of individual pension benefits
- Management of individual retirement accounts
- Management of BVG retirement accounts (BVG shadow accounting)
- Analysis and payment of benefits
- Processing of cases of incapacity to work and waivers of contribution
- Processing of cases of reintegration
- Provision of information to insured persons, employers, intermediaries, etc.
- Calculation of departure benefits with effect from date of divorce
- Simulation calculations for individual insured persons with respect to the purchase of additional benefits, the drawing of pension benefits, cases of divorce and early retirement (for exceptions see Point 3.4)
- Calculation of maximum possible purchase amounts
- Processing of divorce cases
- Archiving of all relevant data on insured persons from start of contract
- Drawing up annual statements for retirement accounts
- Contribution invoicing
- Reporting to federal and cantonal authorities, calculation of withholding tax in the event of cash payments, pension payments, and advance withdrawals
- Execution of partial liquidations
- Distribution of disposable assets (for exceptions see Point 3.2)
- Registering with reinsurers and the corresponding processing
- Updating regulations, contracts and pension plans
- Collaborating and corresponding with other pension funds and insurance companies
- Dealing with the supervisory authority and other authorities
- Drawing up the foundations accounts and consolidated annual financial statements including notes in compliance with Swiss GAAP FER 26
- Compiling data for the federal pension fund statistics
- Drawing up Guarantee Fund statements
- Payment transactions

3. Extraordinary cost contributions for special services
The following services provided by Profond are not included in the ordinary cost contributions and are therefore invoiced as additional items.

3.1 Retroactive changes
A charge is made for the following retroactive changes:

a) Late registration of new entries and departures, as well as changes to salary and level of employment
per transaction CHF 250
(changes are considered late if they no longer relate to the current accounting year)

b) Late registration of incapacity to work
per transaction CHF 250
(registrations are considered late following expiry of the waiting period, which is typically three months)

c) Other retroactive changes
per transaction CHF 250
(changes are considered late if they no longer relate to the current accounting year)

3.2 Distribution of disposable assets
The elaboration of the first three distribution plans per calendar year is a service covered by the ordinary cost contributions. The elaboration of subsequent distribution plans is chargeable.
charged at cost, hourly rate CHF 150

3.3 Collection charges

a) Debt-collection proceedings
charged at cost, hourly rate CHF 150
b) Release proceedings («Rechtsöffnungsverfahren»)
charged at cost, hourly rate CHF 150
plus standard debt enforcement and court costs
c) Interest on arrears
If payment is not received by the stipulated deadline, interest on arrears at the BVG minimum interest rate plus one percent will be due from the 61st day following the date of the invoice.

3.4 Other services

Other services (e.g. the involvement of external parties; negotiations with authorities; the elaboration of time-consuming and complex simulations or those repeated at the client's request) will be charged according to the actual costs (if external) or at an hourly rate of CHF 150 (if internal).

3.5 Fees for home ownership withdrawals

A fee is charged for early withdrawals or pledges for the purpose of home ownership. The one-off fee amounts to CHF 400 for early withdrawals and CHF 200 for pledges.
Fees charged by the land registry for the registration or deletion of sales restrictions will be borne by the insured person.

4. Invoicing

a) Invoices are typically drawn up according to the «causer pays» principle.
b) Cost contributions in connection with a retroactive change (Point 3.1) or in connectionwith collection services (Point 3.3) are invoiced to the employer.
c) Cost contributions relating to the elaboration of distribution plans (Point 3.2) are invoiced to the employer.
d) Cost contributions in accordance with Point 3.4 are invoiced to the employer or to the person/insured persons requesting the calculation.

5. Due date

Cost contributions are due within 30 days of the invoice being issued.

6. Right to make amendments reserved

The Board of Trustees is entitled to make amendments to this annex to the pension fund regulations at any time.

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