

## Your pension certificate: explained simply

Your statement of pension benefits contains a number of terms which we would like to explain to help make the information easier to understand.

### 1 Basic data

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Reported annual salary	This is your effective annual salary (gross salary). Your company's pension plan will indicate whether this also includes your 13th monthly salary and any incentives or bonuses.
Insured savings component of salary	Annual salary used as the basis for calculating retirement credits after any coordination deduction.
Insured risk component of salary	Annual salary used as the basis for calculating risk benefits and risk contributions, after any coordination deduction.
Basic/additional pension provision	Depending on your pension solution, you are insured for basic and/or additional pension provision. These are different pension plans with different risk and retirement benefits.

### 2 Expected retirement benefits

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To give you an idea of the amount of retirement benefits you can expect to receive on retirement, your benefit statement includes estimates of your retirement savings and annual pension. Your retirement pension is calculated by multiplying your retirement savings by the conversion rate (e.g. retirement savings of CHF 100,000 x 6.8 % conversion rate for men = annual retirement pension of CHF 6,800).

The calculations are based on the insured savings component of your salary and your future retirement credits as set out in your pension plan. Interest is paid on the retirement savings at the LOB minimum interest rate for the current calendar year and at a projected interest rate defined in the pension plan for subsequent years up until retirement. The Board of Trustees sets the interest rate on an annual basis. The expected retirement benefits and pensions are projections which are not guaranteed and therefore do not represent a legal entitlement.

### 3 Disability benefits

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If you become disabled, once the waiting period specified by your pension plan has passed you will usually receive the pension shown until you reach ordinary retirement age. The pensions shown represent the insured risk benefit for someone who is at least 70% disabled. If you are less than 70 % disabled you will receive reduced benefits. If you are less than 40 % disabled, you will not be entitled to any disability pension.

If you have children, you will also be entitled to a disabled person's child's pension in addition to a disability pension. This will be paid until your child's 18th birthday or until his or her 25th birthday if the child is still in education or training. Disability benefits are normally defined as a percentage of the insured risk component of your salary in your company's pension plan and will usually be paid after a specified waiting period.

**4****Death benefits**

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Death benefits are the insured risk benefit that would be payable in the event of your death. If you have a surviving spouse or partner, he or she will be entitled to a spouse's or partner's pension, providing he or she meets the requirements set out in the pension fund regulations. The same regulations apply to couples in registered partnerships.

Surviving children are entitled to an orphan's pension until their 18th birthday or until their 25th birthday at the latest if they are still in education or training.

If you do not have a spouse or partner, your accumulated retirement capital is paid out as a lump-sum death benefit on the basis of a defined order of beneficiaries, provided the requirements set out in the regulations are met. This order of beneficiaries can be found in Article 30 of the Profond pension fund regulations.

**5****Financing**

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Under "Financing" you will find a list of the contributions paid to Profond by you and your employer. The contribution rates are stipulated in the company's pension plan. Your employer is obliged to pay at least 50% of the contributions of all its insured employees. The employee's share of the contributions is deducted from your salary each month and transferred to Profond together with the employer's contributions.

The saving contributions increase the amount of retirement savings available for conversion into a pension when you retire. Insured members do not pay any saving contributions until the calendar year in which they reach the age of 25.

The risk contributions cover the risks of disability and death. The risk contribution rate is specified in the pension plan.

The administrative costs cover the services provided by Profond.

Administrative costs

The administrative costs are based on the pension plan and include the costs of general administration, marketing and advertising, trading and brokerage as well as the costs of the auditors, pension actuary and supervisory authorities.

**6****Current excerpt from your retirement account**

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Period	1 January of previous year to 31 December of previous year
Opening balance	Retirement savings as at 1 January of the previous year
Savings contributions	Credits as a percentage of the insured savings component of salary (see section 5)
Other contributions	Voluntary buy-ins / contributions following divorce / repayments of home ownership early withdrawals, etc.
Withdrawals	Early withdrawals for home ownership / payments on divorce / partial retirement
Interest rate	Interest on the retirement savings as at 1 January of the previous year
	Closing balance Retirement savings on 31 December of the previous year
Current retirement savings	These are the retirement savings you have accumulated up to the reference date.
LOB retirement savings	This figure is equal to the mandatory termination benefits stipulated by the Swiss Federal Law on Occupational Retirement, Survivors' and Disability Pensions (LOB).

Please check if the reported AHV annual salary is the same as on your salary statement.

**Termination benefits at age 50/of which LOB**

The law requires the termination benefits at age 50 to be stated for insured persons who have reached the age of 50. This amount is usually available for an early withdrawal under the home ownership promotion regulations.

**Theoretical buy-in potential**

If you have any gaps in your contribution record, you have the option of topping up your pension pot (buying into the scheme). You might have a contribution gap for a variety of reasons. Examples: age over 25 on first joining the pension scheme, change of employer, pay rise, increase in working hours, improvements to the pension plan, return to work after a career break, period of unemployment or time spent living abroad, or splitting of retirement savings with ex-spouse under a divorce settlement.

To improve your retirement benefits, you are allowed to top up your pension pot with additional voluntary contributions. These contributions can also be deducted from your taxable income.

The amount shown relates to the reference date of your pension benefit statement. The amount you can actually pay in will depend on a number of factors, including when you buy into the scheme. Each time you make a freestanding contribution, we would ask you to submit an application to buy into the full benefits under the pension plan regulations. Application forms are available on our website.

**Possible early withdrawal for home ownership**

The possible early withdrawal for home ownership figure shows the maximum amount you can take out of your pension pot to finance the purchase of your own home or pay off an existing mortgage. You can make an early withdrawal up to within three years of reaching ordinary retirement age. The minimum amount for withdrawals is set at CHF 20,000 and withdrawals can only be made once every five years.

Early withdrawals will lead to a reduction in retirement benefits, as your retirement savings will have been reduced. You can also find the "Application for advance withdrawal" form on our website.