

## Unpaid leave

Would you like to interrupt your employment for a period of time without changing jobs? Find out how unpaid leave affects your insurance coverage and the options that you have.

If you would like to take a break working for a period of time, you can apply to your employer for unpaid leave. Insurance cover will **not** continue automatically during the unpaid leave. This means that you **first** need to consider whether and to what extent you would like to maintain insurance coverage during this period.

Profond offers the following options:

- Continued savings and risk insurance
- Continued risk insurance
- Interruption of all insurance

If you would like to continue your saving and/or risk insurance, the administrative costs also need to be paid in addition to the corresponding contributions. However, in the event of a complete interruption of your insurance during unpaid leave, no administrative expenses will be charged.



### What is unpaid leave?

Unpaid leave is available if an employee, with the consent of their employer, is temporarily released – i.e. at for least one month to a maximum of two years – from their obligation to work and, in return, receives no salary, but their **employment relationship continues**.

Normally, as an insured person, you pay both your own contributions and those of the employer for the variant you have chosen. However, your employer may voluntarily participate in this financing. The contributions are billed to your employer, in any case. The latter is responsible for collecting the contributions from you in accordance with the agreement.

### Continued savings and risk insurance

If your savings and risk insurance are continued, your retirement assets will also grow during unpaid leave. And your previous protection in the event of disability or death remains unchanged.



### Example

Nadia Müller is 31 years old and pregnant. She would like to add four months of unpaid leave after her official maternity leave. Her employer agrees and voluntarily assumes the full contributions to the risk and administrative costs during the unpaid leave. Nadia Müller decides to continue to pay her savings contributions during the unpaid leave.

### Continued risk insurance

The continuation of your risk insurance ensures that your protection in the event of disability or death remains in place.



### Example

Reto Hafner is 33 years old and will soon get married. As a honeymoon, he and his future wife are planning a four-month world trip. For this purpose, he applies to his employer for three months of unpaid leave, while they will both cover the remaining four weeks with normal leave.

So that he does not place an additional strain on his budget, he waives paying the savings contributions during the unpaid leave, but continues to maintain his risk insurance. This allows him to enjoy his trip without any worries.

He also knows that he can repay the savings contributions that he has missed later as a purchase. He wants to do this as soon as he has saved enough to do so after the trip.

The interruption to your savings insurance may lead to gaps in your occupational benefits. However, these can be closed by a later purchase into your pension fund.

### Interruption of all insurance (Suspension)

The complete interruption of savings and risk insurance means that you will have no protection in the event of disability or death during unpaid leave. You cannot report a suspension retroactively, but this must be notified before the start of the unpaid leave.



If your **risk insurance is interrupted**, you will have **no cover in the event of disability or death during the unpaid leave**. This means that there would be no entitlement to risk benefits, such as a spouse's/partner's pension or an orphan's pension, but in the event of death, the accrued retirement assets would be paid out in full to the surviving dependants.

### How to proceed

- Inform your employer of your wish and, in consultation with them, determine the following points:
  - the duration of the unpaid leave
  - the insurance you want during the unpaid leave
  - the distribution of the contributions (if the employer is participating in the financing)
- Your employer will notify us of the unpaid leave via ProfondConnect, including the type and financing of your insurance.

The regulatory and legal provisions that apply at the time of the break from work shall apply. Any changes are reserved.



### Example

Stefanie Huber is 29 years old, married, a mother of two young children and pregnant. She would like to take three months of unpaid leave after her official maternity leave, although she can barely afford to lose the work. Her employer agrees. For financial reasons, she is considering completely suspending her insurance.

As neither she nor her employer would make risk contributions, Stefanie Huber would not be insured during the three months of unpaid leave. Her employer explains to her that if she became invalid during that time, she would not be entitled to a second pillar disability pension. If she died, neither her husband nor her children would receive a partner's or orphan's pension. On the other hand, the retirement assets that she has accrued would be paid out to the survivors as a lump sum payable at death.

Stefanie Huber considers the pros and cons again and decides to forgo unpaid leave and extend her maternity leave by a few weeks through her vacation leave and overtime compensation.