PKL
Pensionskasse der Lonza

Pension Regulations

Valid from 1 January 2024

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A. Formal Terms and Abbreviations

I Formal Terms

A partner in a registered partnership pursuant to the Swiss Same-Sex Partnership Act (SSPA) shall be treated in the same way as a spouse.

II Abbreviations

OASI	Federal old-age and surviving dependants' insurance
OASIA	Federal Law on Retirement and Survivors' Insurance
Retirement savings	The individual assets in the retirement account relevant for determining retirement benefits
Retirement account	Individually maintained account with retirement savings
Employees	Employees of both sexes
Employer	Lonza Group Ltd and the Swiss group companies and subsidiaries held by it
OPA	Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision
OPA age	Under the OPA, age is the difference between the current calendar year and the year of birth
OPO 2	Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans
FADP	Federal Act on Data Protection
Registered partnership	Registered partnership of same-sex couples as defined in the Partnership Act (SSPA)
VBA	Swiss Federal Act on the Vesting of Occupational Old Age, Survivors' and Invalidity Benefits
IV	Swiss Federal Invalidity Insurance
Cohabiting partnership	Cohabiting without entering into a marriage or a registered partnership
MilIA	Swiss Federal Act on Military Insurance
CO	Swiss Code of Obligations
PKL	Lonza Pension Fund
Reference age	The reference age for PKL for women and men is 65
AIA	Swiss Federal Act on Accident Insurance
Insured person	Person subject to employee benefits schemes in accordance with these Regulations
WEF	Federal Act on the Promotion of Home Ownership using Occupational Pension Benefits
CC	Swiss Civil Code

B. General Provisions

Art. 1 Name and Purpose

1 Under the name “Lonza Pension Fund" [Pensionskasse der Lonza] (hereinafter referred to as “PKL”), there is an occupational benefits foundation within the meaning of Arts. 80 ff. CC and Arts. 48(2) and 49(2) OPA, with registered office in Basel.

2 PKL maintains an employee pension scheme for the employees of Lonza Group Ltd and the Swiss group companies and subsidiaries held by it (or parts thereof) as well as for all former insured persons of the aforementioned companies (hereinafter referred to as "Lonza") working in other Swiss group companies.

3 PKL may provide further benefits beyond the statutory minimum benefits in the form of assistance in the event of old age, death, disability, illness and accident as well as in the event of special emergencies for which the employees are not at fault.

Art. 2 Status under the OPA

1 PKL provides the mandatory insurance in accordance with the Swiss Federal Act on Occupational Old Age, Survivors’ and Invalidity Pension Provision (OPA) and is entered in the register of occupational benefits schemes with the Occupational Pensions Authority of Basel [BVG- und Stiftungsaufsicht beider Basel] (BSABB) in accordance with Art. 48 OPA.

2 PKL shall provide at least the benefits prescribed in the OPA. Employees may not be insured voluntarily pursuant to Art. 47(1) OPA.

3 Employees may not be insured voluntarily pursuant to Art. 46 OPA.

Art. 3 Beginning and End of the Insurance

1 The insurance shall begin on the day on which the employment relationship commences or from the time entitlement to a salary arises for the first time, but in any event at the time when the employee starts their journey to work.

2 Employees who earn at least a minimum salary from the employer pursuant to Art. 7 OPA shall be insured for the risks of death and disability from 1 January after reaching age 17 and shall also be insured for retirement benefits from 1 January after reaching age 24. The foregoing shall be without prejudice to paragraph 6.

3 Upon admittance, an insured person is obliged to transfer all vested benefits from previous employee benefits relationships (incl. all forms of vested benefits accounts and/or policies) to PKL.

4 In the event of a new admittance or an increase in benefits, PKL may request written information on an insured person’s state of health.

If necessary, PKL may arrange a medical examination by a medical examiner at PKL's own expense. If the person refuses to provide full information on their state of health or to participate in the medical examination, enrolment shall be subject to a general exclusion.

5 If a person is not fully able to work prior to or at the time of enrolment in the employee pension scheme without being disabled within the meaning of the OPA for such incapacity, and the cause of such incapacity results in disability or death within the time frame applicable under the OPA, there is no entitlement to benefits under these Regulations. If the person was insured with another pension fund at the onset of their incapacity for work, that institution shall be responsible for the payment of benefits.

6 PKL shall not enrol employees

a) who are in a fixed-term employment relationship of no more than three months;
b) who are at least 70% disabled at the start of the employment relationship in accordance with the IV;
c) who fall under Art. 26a OPA;
d) who work on a secondary basis and are already subject to mandatory insurance coverage for their main occupation or are self-employed in their main occupation;
e) who are not (or are unlikely to be permanently) working in Switzerland and are sufficiently insured abroad, provided they apply for exemption from enrolment in the pension fund;
f) who have already reached or passed the reference age.

7 Persons who are partially unable to earn a living at the time of insurance shall only be insured for the portion relating to gainful employment.

8 If a fixed-term employment relationship is extended beyond a period of three months, enrolment in the employee pension scheme shall take place at the time the extension is agreed. If several consecutive periods of employment with the same employer last a total of more than three months and no interruption exceeds three months, the employee shall be insured from the start of the fourth month of work. However, if it is agreed before the first start of work that the duration of employment or deployment shall exceed three months in total, the employee shall be insured from the start of the employment relationship.

9 Employees who already receive a retirement pension from a pension fund shall be reinsured.

10 Employees who are already insured with PKL may not additionally insure with PKL the salary they receive from another employer.

11 Insured persons joining PKL again are deemed to be newly insured persons. This does not apply to the calculation of years of service pursuant to Art. 27(2) and Appendix D Table 3.

12 The insurance generally ends if the annual salary falls below the threshold for enrolment without this being a temporary reduction in salary, if benefits are received entirely in the form of a lump sum or if the employment relationship is terminated, unless an old-age, disability or survivor’s pension is payable. The foregoing is without prejudice to Art. 5.

13 For the risks of disability and death, pension cover shall remain in place until the start of a new employment relationship, but for no longer than one month.

Art. 4 Medical Examination

1 Pursuant to Art. 3(4), PKL may, upon enrolment in the pension fund or in the event of an increase in benefits, order a medical assessment by the medical examiner appointed by the pension fund, and make temporary exclusions. The maximum duration of the exclusion is five years.

2 The issuance of an insurance certificate shall not give rise to unconditional enrolment with unlimited insurance benefits.

3 PKL shall inform the insured person in writing within three months of receipt of the medical assessment by PKL, but no later than six months after entry, as to whether any exclusion has been made as well as the extent and duration thereof. An exclusion is limited to the health impairments identified by the physician.

4 PKL may limit its disability or survivors’ benefits to the minimum OPA benefits in case of benefit exclusions. Benefit exclusions do not apply in relation to the OPA minimum benefits. Pension cover acquired with termination benefits transferred in shall not be limited.

5 The period of an exclusion that has elapsed at the previous pension fund shall be credited to the duration of the new exclusion.

6 If a benefit exclusion is examined for a new person seeking insurance, provisional insurance cover shall apply until notification of such benefit exclusion.

If an insured event occurs during the term of provisional pension cover, the pension benefits shall be paid taking account of the benefits acquired on the basis of the termination benefit transferred in from the previous pension fund and taking account of any benefit exclusion.

There are no restrictions in relation to the OPA minimum benefits. Additional provisionally insured pension benefits shall be paid if the insured event is not attributable to a cause that existed prior to the commencement of the provisional pension cover.

7 If the insured person becomes disabled or dies during the exclusion period due to a cause that gave rise to a benefit exclusion, the exclusion shall apply for the entire duration of the benefit. As a result, reversionary benefits will also be affected by the benefit exclusion to the extent that the insured's subsequent death is not due to any other cause.

Art. 5 Continuation of Insurance after Reaching 55 Years of Age

1 An insured person who, after reaching age 55, withdraws from the insurance because the employment relationship has been terminated by the employer, may request continuation pursuant to this Article up to normal retirement age at the latest, provided they remain insured under OASI. To do this, the insured person must register with PKL in writing no later than one month prior to the end of the employment relationship and submit proof that the employer has given notice of termination of the employment relationship.

2 The insured person may choose whether to maintain only the risk provision or also the retirement provision to the previous extent. The chosen solution may be changed once per calendar year. The amendment shall enter into force at the end of the following month.

3 The termination benefit shall remain in PKL even if the retirement provision is not continued. If the insured person joins a new pension fund, PKL shall transfer their termination benefit to the new pension fund insofar as it can be used to purchase the full amount of benefits under the

Regulations. In the process, the insured salary for the risk and retirement provision shall be reduced in proportion to the amount of the transferred termination benefit.

4 The insured person may, at the start of continued insurance or at a later date and subject to one month's notice select a lower insured salary. The insured salary can be reduced in a maximum of three steps, with the first reduction having to be at least 20%. At the time of the reduction in the insured salary, the insured person may request partial retirement in accordance with Art. 29.

5 The insured person shall pay the entire risk contributions on a monthly basis (employee's share and employer's share). If the insured person has opted for continued pension insurance, they shall also pay the entire savings contributions (employee's share and employer's share). The insured person must also pay any restructuring contributions (employee's share).

6 The continuation of insurance ends when the risk of death or disability occurs, when the reference age is reached or if the insured person does not retain any termination benefits in PKL. It ends on admittance to a new employee benefits institution if more than 2/3 of the withdrawal benefit is transferred to the new employee benefits institution. The extended coverage can be terminated by the insured person at any time and by the PKL in the event of outstanding contributions amounting to a monthly contribution if this has not been paid despite a one-off reminder. The insurance shall end at the end of the last paid month.

7 Early retirement shall take place in accordance with Art. 27 (VPM). The deadline for filing applications under Art. 27(7) does not apply. Early retirement pursuant to Art. 28 (VPF) is prohibited. Retirement at the reference age shall take place pursuant to Art. 26.

8 If the continuation lasts more than two years, the retirement benefits must be paid out in the form of a pension and the withdrawal benefit can no longer be prepaid or pledged for home ownership purposes.

Art. 6 Notification Obligations of the Employer

1 The employer must immediately notify any changes in the creditable salary and to make all salary and personal data necessary for this purpose available to all bodies of PKL entrusted with the implementation of the occupational pension, particularly for the purposes of:

a) calculating and collecting contributions;

b) assessing benefit entitlements and calculating and granting benefits and coordinating them with benefits from other social insurance schemes;

c) asserting a right of recourse against a liable third party; or

d) keeping statistics.

2 The Employer shall bear the consequences of any breach of the reporting obligations.

Art. 7 Duties of PKL to Provide Information

1 These Pension Regulations are available on the pension fund's own website. Upon request, every insured person and pensioner will receive a copy of the Pension Regulations then in force.

2 PKL shall inform the insured persons and pensioners in an appropriate manner concerning amendments to the Regulations.

3 At the end of every financial year, the annual report shall be made available to the insured persons in an appropriate form.

4 Every insured person shall receive annually an insurance certificate detailing the status of their accrued retirement assets, the insured retirement, disability and death benefits and the other relevant data of their pension provision. In the event of a discrepancy between the insurance certificate and these Pension Regulations, the latter shall prevail.

5 Every pensioner shall receive a tax statement annually.

6 Extraordinary expenses incurred by PKL in relation to further information requests from the insured person, pensioner or a third party commissioned by the insured person or by the pensioner shall be invoiced to PKL based on the actual hours worked, in which case the hourly rate shall be communicated in advance.

Art. 8 Obligation to Cooperate and Provide Information

1 Upon commencement of insurance with PKL, the insured person must arrange for all termination benefits from the pension funds of the previous employers as well as all assets in the form of vested benefits accounts or policies to be transferred to PKL without delay.

2 The insured person must disclose to PKL all information relating to the occupational pension, including but not limited to:

a) the name and address of the pension fund of the former employer and the amounts to be transferred to PKL;

b) any restriction of the ability to earn a living;

c) health exclusions of any as yet unexpired previous pension funds;

d) information on the insured person's state of health, if such is required by PKL.

3 The insured person or the benefit recipient must immediately notify PKL of all material facts that have an impact on the pension or the receipt of benefits, including but not limited to:

a) death of an insured person or pensioner;

b) changes in marital status such as marriage or remarriage, divorce, widowhood or changes concerning a partnership under the Partnership Act;

c) changes of address or adjustments to payment instructions;

d) cohabiting partner: evidence proving cohabiting status;

e) persons receiving significant support: evidence of significant support;

f) in the event of entitlement to disability pensions: information on

   - changes in their degree of disability, employment situation or incapacity for work;
   - changes in health status;
   - reintegration measures;

  - an increase, decrease or suspension of payments from other social insurance schemes;
  - the taking up or giving up of gainful employment;
  - income from gainful employment or replacement income that has been earned or can reasonably still be earned;

g) in the case of entitlement to disability or survivors' benefits: information on amounts and benefits from third parties for the purpose of calculating overinsurance and PKL benefits;

h) in the case of entitlement to a child's or orphan's benefit: information on

  - the birth, acknowledgement, adoption or death of the child, and
  - the completion or continuation of vocational training for every child and every orphan aged between 18 and 25 or the attainment of the ability to earn a living by a child for whom a pension is paid;

i) if pension cover is maintained: the earning of additional earned income;

j) for buy-ins and repayments of advance withdrawals made under the home-ownership assistance programme: notification of incapacity for work;

k) at the request of PKL, further information necessary to prove entitlement.

4 The insured person may at any time notify PKL of the establishment of a domestic partnership and of any beneficiary civil partner. The existence of a civil partner's entitlement to benefits shall in any event be examined on the basis of the actual situation at the time of death.

5 The insured person and/or the benefit recipient shall bear the consequences of a breach of the obligation to provide information.

6 PKL declines any liability for any adverse consequences resulting from a breach of the aforementioned obligations for insured persons or their survivors. Should PKL incur damages as a result of such a breach of duty, the Board of Trustees may hold the person at fault liable for them. PKL reserves the right to demand repayment of overpaid benefits.

Art. 9 Breach of the Duty of Disclosure

1 Upon request, the insured person must provide a written declaration concerning their state of health.

2 If, in the event of a claim, PKL establishes that the declaration of the state of health contains untrue or incomplete information (= breach of the duty of disclosure), PKL may, within three months of becoming aware of the f breach of the duty of disclosure, refuse or reduce the supplementary disability and death benefits retroactively from the commencement of the insurance or for the entire duration that benefits are received. Previously paid contributions will not be refunded.

3 Once PKL has gained reliable knowledge of a breach of the duty of disclosure, it shall decide whether to withdraw from the supplementary pension agreement. PKL shall notify the insured person thereof within six months of becoming aware of the breach of the duty of disclosure.

Art. 10 Consequences of a Breach of Duty

1 PKL may suspend, reduce or withhold its regulatory benefits in whole or in part if the OASI/IV reduces, withdraws or withholds a benefit because the beneficiary caused their own death or disability through gross fault.

2 PKL may suspend, reduce or withhold its benefits under the Regulations, but not the minimum OPA benefits, in whole or in part:

a) in the event of a breach of the duty to prevent or minimise losses;

b) in the event of a breach of the duty to provide information or to report to PKL and its medical officer;

c) in the event of a breach of the duty to cooperate or in the event of a refusal of any arranged medical assessment by the medical examiner or in the event of claims reviews by social insurance schemes;

d) in the event of conduct such as deceiving PKL, endangering or harming its interests, where PKL can no longer reasonably be expected to pay benefits.

Art. 11 Payment and Form of Benefits Due

1 Entitlement to benefits under the Regulations shall arise as soon as all prerequisites for entitlement set forth in the Regulations have been met. The pension in the month in which entitlement to a pension expires shall be paid out for the full month. If an entitlement arises on 1 January, the regulations valid on 31 December of the previous year shall apply. Lump-sum benefits are due at the time the entitlement arises.

2 PKL benefits are payable as follows:

a) pensions monthly, at the beginning of each month;

b) lump-sum payments within 30 days of the due date, but at the earliest when the beneficiary is known with certainty and all the necessary documents for processing the transaction are available;

c) benefits for beneficiaries as defined in Arts. 38 to 41 after the expiry of the posthumous salary payment, but in any event at the earliest when the entitlement has been established.

3 Lump-sum pension benefits shall become due upon occurrence of the insured event, but at the earliest when PKL becomes aware of who is entitled and when it has received the information necessary for the transfer. In the meantime, no interest will be paid.

4 Payments by PKL shall be made to the payment address notified to it by the beneficiary in Switzerland, in an EU or EFTA member state or in a country that uses the IBAN or SWIFT standard for payment processing. The beneficiary shall bear one half of the transaction costs and exchange fees. Payments by PKL shall always be made in Swiss francs.

5 PKL may, as a precautionary measure, suspend the benefits if the insured person has breached their duty to cooperate by failing to inform PKL in time that their circumstances have changed or by failing to submit a certificate of life or civil status required by PKL in time. PKL may also suspend benefits as a precautionary measure if there is a reasonable suspicion that the benefits have been obtained unlawfully. If the insured person is in custody or undergoing

criminal or other proceedings, the payment of cash benefits for loss of earnings may be suspended in whole or in part during this period.

6 The provisions on collection assistance for family law maintenance claims are reserved (Art. 16).

7 The written consent of the spouse is required in order for a married person to draw a lump-sum payment under the Regulations, a voluntary lump-sum payment, a cash payment upon leaving PKL or an advance withdrawal to finance home ownership.

The spouse's signature must be officially authenticated or confirmed by the residents' registration office. The certification or confirmation must not be older than 6 months. If the consent cannot be obtained or is withheld, the insured person may apply to the civil court.

8 An up-to-date civil status certificate is required in order for an unmarried person to draw a lump-sum payment under the Regulations, a voluntary lump-sum payment, a cash payment upon leaving PKL or an advance withdrawal to finance home ownership. The civil status certificate must not be older than 6 months.

9 If there are valid reasons against the payment of a one-time lump sum, PKL may refuse to accept the corresponding declaration. However, a lump-sum withdrawal of retirement assets of up to one quarter of the mandatory OPA coverage must be granted under all circumstances.

10 If, on the start date of the pension, the annual retirement pension or, in the case of full disability, the disability pension to be paid out is less than 10%, the spouse's or civil partner's pension less than 6% and an orphan's or children's pension less than 2% of the OASI minimum retirement pension, a one-time lump sum payment shall be made in lieu of the pension.

If the full disability income exceeds the above-mentioned level, the children's benefit shall be paid in instalments regardless of the amount due.

Art. 12 Overinsurance / Coordination of Benefits

1 Disability and survivors' benefits of PKL shall be reduced insofar as they result in replacement income of more than 90% of the presumed lost earnings together with benefits of the same type and purpose paid by a third party as a result of the same harmful event.

2 The following shall be deemed to be third-party benefits:

a) OASI benefits;

b) IV benefits;

c) military insurance benefits;

d) benefits under mandatory accident insurance;

e) benefits from equivalent foreign social insurance schemes;

f) benefits from another domestic or foreign pension fund, vested benefits scheme or supplementary benefits foundation;

g) benefits under the insurance of a liable third party;

h) any compensation in lieu of salary paid by the employer or an insurance company, provided that the employer pays at least half of the premiums;

i) earned income or income substitution benefit that continues to be obtained or can reasonably be obtained in the event of partial or total disability; this does not apply to income substitution benefits obtained during participation in a reintegration measure in accordance with Art. 8a InvIA.

3 The earnings presumed to have been lost shall correspond to the total earned income or income substitution benefit the insured person would be presumed to obtain barring the harmful event. The presumed lost earnings determined at the start of the benefit shall be adjusted in accordance with the Swiss Consumer Price Index but may not fall below the starting value.

4 In determining the income that can still be reasonably obtained, the disability income determined in the IV decision is generally taken into account. The credited amount shall be adjusted in the event of audits of the IV.

5 Helplessness and integrity allowances, severance payments and similar benefits from third parties, as well as benefits from accident, life and daily allowance insurance financed by the insured person are not counted towards overinsurance.

6 The income of the surviving spouse or civil partner and the orphans is added together.

7 Lump-sum benefits are converted into pensions in order to determine total income based on the technical principles of PKL.

8 PKL may reduce its benefits to the same extent if the OASI/IV reduces, withdraws or withholds a benefit because the beneficiary caused their own death or disability through gross negligence or opposes an IV reintegration measure. PKL is not obligated to compensate for any withholding or reduction of benefits under the accident or military insurance.

9 In the event of a reduction, all benefits of PKL shall be affected in the same proportion.

10 The reductions shall be reviewed in the event of significant changes to benefits on the part of third parties or in the event that pensions arise or lapse.

Art. 13 Assignment of Entitlements to Benefits

1 In the event that a third party is liable to pay compensation for the death or injury to the health of an insured person, the claims for compensation (but not the claims for satisfaction) of the insured person, his or her survivors or beneficiaries shall be assigned to PKL by operation of law up to the amount of the benefit to be paid by it. If the party in question refuses to make the assignment, PKL shall reduce the supplementary benefits actuarially.

Art. 14 Advance Payments and Repayments

1 If a person who was last a member of PKL becomes entitled to benefits under the provisions of the OPA, PKL shall pay advance benefits to the extent of the statutory minimum benefits until the occupational benefits institution obligated to pay benefits is established. PKL shall have recourse to the responsible pension fund for the advance benefits PKL provides.

2 If it can be shown that PKL benefits have been obtained unlawfully, PKL shall demand their reimbursement immediately. If a refund is not possible, PKL shall reduce the pension benefit by

the outstanding amount actuarially and on a lifelong basis. Repayment may be waived upon request to the management of PKL if the beneficiary acted in good faith and the repayment would cause great hardship to them.

Art. 15 Non-assignability, Unseizability and Set-off

1 The claims against PKL may not be assigned or pledged before they fall due. The foregoing shall be without prejudice to a pledge for the purpose of financing home ownership under Art. 30a ff. OPA.

2 The entitlement to benefits may only be offset against claims assigned by the employer to PKL if they relate to contributions under the Regulations that have not been deducted from the insured person's salary.

Art. 16 Payment of Benefits When Maintenance Obligations Have Been Neglected

1 If PKL receives official notification that an insured person has neglected their maintenance obligations, PKL may only grant lump-sum payments, cash payments, advance withdrawals intended for home ownership and pledges made under the home-ownership assistance programme in accordance with Art. 40 OPA.

Art. 17 Adjustment for Inflation

1 The retirement, disability and survivors' pensions shall be adjusted in accordance with PKL's financial ability in line with inflation. The Board of Trustees decides annually whether and to what extent pensions shall be adjusted. This decision shall be explained in the annual report.

C. Financing

Art. 18 Insured Salary

1 The insured salary shall be the effective salary, less a coordination deduction.

2 The effective salary corresponds to the annual salary (basic salary and the target value of the incentive as well as the current average shift bonuses).

If the annual salary decreases temporarily because of illness, accident, unemployment, maternity, paternity, adoption or for similar reasons, the previous salary shall remain valid for at least as long as the employer would be obligated to continue paying the salary or for as long as a maternity, paternity, care or adoption leave lasts. The insured person may request that their salary be reduced. In this case, the insured salary is reduced from the date of receipt of the insured person's written application.

3 The effective salary is subject to an upper limit for savings and risk in accordance with Appendix B Table 1. In any case, the maximum insurable salary is limited to ten times the upper limit stipulated in the OPA.

4 The insured salary for savings is the effective salary, limited to the maximum possible savings amount, less the coordination deduction.

The insured salary for risk is the effective salary, limited to the maximum possible risk amount, less the coordination deduction.

5 The coordination deduction is determined in accordance with the OPA and is equal to 87.5% of the maximum OASI retirement pension

For a part-time insured person or a partially disabled insured person, the maximum OASI retirement pension is adjusted in accordance with the level of employment or the entitlement to a disability pension in order to calculate the insured salary.

6 The insured salary is at least equal to the minimum amount prevailing under the OPA, currently 12.5% of the maximum OASI retirement pension.

7 For a part-time insured person or a partially disabled insured person, the minimum and maximum salary shall be adjusted based on the degree of employment or the entitlement to a disability pension.

8 In the event of changes in the effective salary, the insured salary, insured benefits and contributions shall be adjusted.

However, no adjustments shall be made for persons who are fully unfit for work. If an insured event occurs, any adjustment made without due cause will be reversed.

9 In the event of retroactive changes to the insured salary, the contributions of the insured person and the employer must also be paid retroactively to the date of the change.

Art. 19 Continued Insurance of Previous Earnings

1 If the annual salary of the insured person is reduced by a maximum of 50% after completion of the 58th year of age, he or she may request, instead of partial retirement, that the insurance be continued on the basis of the previous annual salary until, at the latest, the reference age. The insured person must also pay the employer’s contributions for this part of the salary that continues to be insured.

2 At the request of the insured person, only the risks of death and disability shall be continued based on the previous level of employment and the previous annual salary. In this case, a buy-in as defined in Art. 23 shall be calculated on the basis of the reduced salary.

3 The continued insurance of the employee’s previous salary shall also cease if the employee’s previous annual salary is reduced by more than half. It shall also end as soon as the insured person earns income besides his or her reduced annual salary or if the insured person requests termination of the continued insurance. The insured person must report this to PKL immediately.

4 If an insured person continued to be insured under previous pension regulations, then, in the event of a new change in the insured person's degree of employment, the entire continuation of insurance shall be reassessed in accordance with these regulations.

5 For purposes of determining the previous annual salary and the presumed loss of earnings, the annual salary before the first reduction after the insured person reaches age 58 shall be taken as the basis.

Art. 20 Savings and Risk Contributions

1 Benefits shall be financed by contributions charged on the insured salary. The savings and risk contributions of the employer and the insured persons are listed in Appendix B, Table 3.

Besides the risk contributions per se, the risk contribution also includes a contribution to administrative costs, a contribution to the costs of the guarantee fund and a contribution to the risk and cost premium of a reinsurance company.

2 The obligation to pay contributions commences upon joining PKL and lasts until the end of the insurance (Art. 3) under these Regulations or until the death of the insured person, but no later than the retirement benefits are payable.

3 If the employment relationship is continued beyond the reference age and the employee benefits are continued in accordance with Art. 30 cl. 1b, contributions will continue to be collected up to the actual retirement, but not beyond the first of the month following the 70th birthday.

4 For persons who are unfit for work and disabled persons, the exemption from contributions is governed by Art. 36.

5 The risk and savings contributions are charged on the insured salary on a monthly basis.

6 The employee's contributions shall be deducted directly from the salary by the employer in favour of PKL. The employer is obligated to pay all contributions to PKL. The employer normally owes the employer and employee contributions in January based on an advance premium invoice for the entire insurance year, but no later than the end of January following the insurance year for which the contributions are owed.

Art. 21 Choice of Plan Option

1 Insured persons have the option of saving more than under the Standard Plan. The additional savings contributions (compared to the Standard Plan) are paid out as a lump-sum death benefit if the insured person dies before the start of the retirement pension. The rates for the savings contribution are set out in Appendix B, Table 3. The foregoing shall be without prejudice to Art. 36(1) (Exemption from Contributions).

2 The insured person may redetermine the amount of their savings contributions, which are levied on the insured salary, each year on 1 January of the following year (choice of Standard, Medium and Top contribution options). The notification must be received by PKL by the end of November. If the insured person does not exercise his or her right to choose, the contribution option last chosen shall apply in each case.

3 Unless otherwise specified, the Standard contribution option shall apply to newly insured persons. However, the change to another contribution option may be made during the month of enrolment and thereafter on 1 January of the following calendar year.

Art. 22 Retirement Account

1 For insured persons and recipients of a disability pension, a retirement account indicating the retirement assets shall be kept. Retirement assets are made up of:

a) the retirement credits (Appendix B, Table 2);

b) credited termination benefits from previous pension schemes;

c) buy-ins made by the insured person or the employer;

d) repayments of advance withdrawals made under the home-ownership assistance programme;

e) transfers of termination benefits following a divorce;

f) interest;

reduced by:

g) advance withdrawals made under the home-ownership assistance programme;

h) the payment of termination benefits based on a divorce decree

2 At the end of the calendar year, the retirement account shall be credited with

a) the interest on retirement assets according to their status at the end of the previous year and

b) the non-interest-bearing retirement credits for the past calendar year.

Additions and withdrawals shall bear interest on a prorated basis. This interest and the non-interest-bearing retirement credits corresponding to the insurance period completed in the current year shall be added to the retirement account at the end of the calendar year or at the time of leaving.

3 The Board of Trustees sets the following interest rates for the interest on retirement assets at the end of each calendar year:

a) the final interest rate for those insured persons who are members of PKL on 31 December of the current year (leaving and retirements on 31 December are included), for the current financial year;

b) the provisional interest rate for those insured persons who leave the pension fund or retire in the following calendar year (change-based interest [Mutationszins]).

4 The final retirement assets correspond to the current balance of the retirement account, plus the retirement credits for the time remaining until the reference age, plus interest. It forms the basis for determining the expected retirement benefits.

The interest rate used to calculate the final retirement assets shall be determined by the Board of Trustees. It is currently **2.5%** (projected interest rate).

Art. 23 Buy-Ins into the Retirement Account

1 As soon as the insured person has transferred to PKL all vested benefits from the pension funds of previous employers and all assets in the form of vested benefits accounts or policies, buy-ins may be made into PKL at the latest until the occurrence of an insured event.

2 The following shall be deemed to constitute credited termination benefits:

a) termination benefits from previous pension funds, vested benefits schemes and the Substitute Occupational Benefit Institution;

b) transferred assets from other recognised forms of pension provision (Pillar 3a);

c) transfers from pension funds and termination benefits as a result of divorce.

If the credited termination benefits exceed the maximum purchase option into the retirement account, the excess portion shall be transferred to a vested benefits account specified by the insured person.

3 If the insured person has made advance withdrawals made under the home-ownership assistance programme, they may only make buy-ins after the amount withdrawn has been repaid in full, subject to Art. 46. The foregoing shall be subject to cases in which repayment of the advance withdrawal made under the home-ownership assistance programme is no longer permitted.

4 Termination benefits paid out or transferred in connection with a divorce may be transferred in again in whole or in part. However, pursuant to Art. 22c(1) VBA, the amounts paid in again shall be allocated to the retirement assets in the same ratio as in the case of the debit under Art. 15 OPA and to the remaining pension assets.

5 If the insured person has made an advance withdrawal under the home-ownership assistance programme and was required to make a settlement payment as part of a divorce, they must choose whether and to what extent they wish to make a buy-in after the divorce or to repay an advance withdrawal made under the home-ownership assistance programme.

Further buy-ins are only possible after a full buy-in following divorce and after full repayment of any advance withdrawals made under the home-ownership assistance programme.

6 The maximum individual retirement assets are equal to the insured salary for savings multiplied by the rate specified in Appendix C. The maximum option to buy into the retirement account is equal to the maximum individual retirement assets less the retirement assets existing at the time of the buy-in.

The maximum buy-in amount shall be reduced by

a) the Pillar 3a assets, insofar as these exceed the threshold specified in Art. 60a(2) OPO 2;
b) any vested benefits that the insured person was not required to transfer into PKL;
c) advance withdrawals made under the home-ownership assistance programme that can no longer be repaid;
d) the retirement assets held by the insured person at the time of any previous retirement.

The buy-in amounts shall be credited to the retirement account.

7 No further buy-ins may be made after the onset of disability. If the insured person is partially disabled, a buy-in is only possible for the portion of the employee pension scheme relating to gainful employment.

8 The maximum buy-in option also applies at the time of the occurrence of an insured event.

9 For insured persons who move or have moved to Switzerland from abroad and who have never been a member of a pension fund in Switzerland before moving there, the annual buy-in amount may not exceed 20% of the insured salary for savings in the first five years after joining a Swiss pension fund.

10 Buy-ins by the employer are generally possible. For credits that the employer transfers into PKL in favour of an insured person, the same conditions apply as for voluntary buy-ins.

11 Buy-ins made by the insured person are booked at the entry value date. Back valuations are not permitted.

12 The final date for buy-ins per calendar year is the last banking day.

13 If buy-ins have been made, then, under the law governing pension schemes, the resulting benefits may not be withdrawn from the pension scheme in the form of a lump sum within the next three years. This limit does not apply to repurchases in the event of divorce.

If buy-ins have been made by the insured person or the employer, benefits paid out as a lump-sum within the next three years may have tax consequences that the insured person must bear directly.

The insured person is responsible for clarifying the tax deductibility of any buy-ins made.

D. Insurance Benefits

Art. 24 Overview of Insurance Benefits

I. Retirement benefits
   a) Retirement pension
   b) Retired person's children's benefit
   c) OASI bridging pension benefit
   d) Retirement assets

II. Disability benefit
   a) Temporary disability pension
   b) Exemption from contributions
   c) Disability-linked children's benefit

III. Death benefits
   a) Spouse’s benefit
   b) Civil partner's benefit
   c) Orphan’s benefit
   d) Lump-sum death benefit

Art. 25 General Provisions on Retirement Benefits

1 The PKL reference age for retirement is reached for men and women at the age of 65.

2 The insured person is entitled to retirement benefits if the employment relationship ends within five years before the reference age and the insured person is not entitled to disability benefits, subject to Art. 42(2). Entitlement to retirement benefits arises at the latest on the first day of the month upon reaching the reference age, subject to Art. 30.

3 In the event of operational restructuring, the Board of Trustees may, upon request, provide for drawing retirement benefits earlier. However, the insured persons must have reached at least age 55.

4 For insured persons who are fit for work, entitlement to retirement benefits arises on the first day of the month following termination of the employment relationship. For insured persons who are unfit for work, entitlement to retirement benefits arises on the first day of the month after their entitlement to continued salary payment and to benefits from the insurance against loss of earnings are exhausted and they are not entitled to any disability pension.

5 Recipients of a disability pension are entitled to retirement benefits on the first day of the month upon reaching the reference age.

6 Entitlement to a retirement pension ceases at the end of the month in which the beneficiary dies.

Art. 26 Retirement Pension on Retirement at the Reference Age

1 At the time of retirement at the reference age, the amount of the retirement pension is calculated by multiplying the existing retirement assets by the conversion rates specified in the Regulations in accordance with Appendix D, Table 1 The conversion rates are set by the Board of Trustees.

Art. 27 Retirement Pension upon Early Retirement at Own Request (VPM)

1 Employees are free to determine their own retirement date within the 5 years prior to the reference age. In consultation with their line manager, employees may also take phased early retirement in accordance with Art. 29.

2 The expected retirement pension at the reference age shall be reduced in line with the employee's age at the time of early retirement (Appendix D, Table 2). If the insured person has completed 26 or more years of service at the time of retirement, they will receive a credit (Appendix D, Table 3). In the event of phased early retirement pursuant to Art. 29, the reduction shall only apply to the portions of the pension corresponding to the degree of early retirement.

3 If, besides the reduced retirement pension from this pension fund, the insured person wishes to receive an OASI bridging pension until they reach the reference age, the retirement pension from this pension fund shall be further reduced in accordance with Appendix D, Table 2, irrespective of the number of years of service completed . In the event of phased early retirement pursuant to Art. 29, the reduction shall be made in accordance with the degree of early retirement.

4 The insured person is free to choose the amount of the OASI bridging pension, subject to the following restrictions:

a) The amount may not exceed the maximum OASI retirement pension. In the event of partial retirement, the corresponding ratio shall apply.
b) The overall reduction of the retirement pension from the PKL pension fund may not exceed one third of the originally insured retirement pension.

5 Reduced pensions shall remain reduced beyond the reference age.

6 Upon early retirement, contributions to the employee pension scheme no longer need to be made. In the event of partial retirement, the contribution level is reduced in line with the level of retirement.

Persons taking early retirement are directly responsible for paying OASI contributions due from non-gainfully employed persons.

7 Applications for early retirement must be submitted to PKL at least 12 months in advance. The employer shall pay the one-time contribution necessary to finance the early retirement (VPM).

If the insured person fails to comply with the 12-month application period, the retirement pension shall be calculated by multiplying the existing retirement assets by the conversion rate on early retirement as specified in Appendix D, Table 4. In this case, the insured person is not entitled to an OASI bridging pension.

Art. 28 Retirement Pension upon Early Retirement at the Employer's Request (VPF)

1 At the employer's request, all employees may take early retirement within 5 years of reaching the reference age. The resulting costs for the benefits specified in paragraphs 2 and 3 shall be borne by the employer.

2 A retirement pension is paid which corresponds to the projected retirement benefit at the reference age.

3 Besides the retirement pension, a bridging pension shall be paid in the amount of CHF 12,000 until the reference age is reached or a possible state IV pension falls due. Pensioners' children’s pensions are paid in accordance with Art. 32.

4 If the insured person wishes to be paid a supplementary OASI bridging pension in addition to the bridging pension in accordance with cl. 3 until the reference age is reached, the retirement pension in accordance with cl. 2 shall be reduced for life in accordance with Appendix D, Table 2, irrespective of the years of service completed. The bridging pensions in accordance with cl. 3 and cl. 4 may not exceed the maximum OASI retirement pension. In the event of partial retirement, the corresponding ratio shall apply.

5 Upon early retirement, contributions to the employee pension scheme no longer need to be made. However, persons taking early retirement are directly responsible for paying OASI contributions due from non-gainfully employed persons.

Art. 29 Partial Retirement

1 An insured person who has reached the earliest possible retirement age may take partial retirement provided that the portion of the early retirement benefit does not exceed the portion of the reduction in the effective salary. The first partial withdrawal must be at least 20% of the retirement benefits.

2 A maximum of three stages of partial retirement are allowed, the third stage necessarily corresponding to the remaining retirement. At each stage of partial retirement, the insured person can choose which portion to draw as a retirement pension and which as retirement capital.

3 A partial retirement stage leading to the remaining effective salary falling below the regulatory entry threshold in accordance with Art. 3, cl. 2 leads to full retirement.

4 Partial retirement ends the continuation of insurance of previous earnings referred to in Art. 19.

5 The insured event of retirement shall be deemed to have occurred insofar as benefits have been received. For the remaining part, the insured person shall continue to be regarded as an active insured person. The threshold amounts and the coordination amount shall be adjusted in line with the new level of employment.

6 The insured salary is generally determined in accordance with Art. 18 on the basis of the effective salary still earned.

7 The retirement savings allocated to the disability portion cannot be withdrawn.

8 The insured person is liable for the consequences of the tax assessment of their partial retirement.

Art. 30 Retirement Pension after the Reference Age

1 It is possible to defer the payment of retirement benefits or extend future provisions if the employment relationship is continued for a maximum of five years beyond the reference age, provided the effective salary reaches the entry threshold pursuant to Art. 3, cl. 2:

a) Deferral of retirement benefits: no further contributions are charged during the period the retirement benefits are deferred.

b) Continuation of employee benefits: savings contributions and any restructuring contributions continue to be charged until the actual retirement, but not beyond the first of the month following the 70th birthday.

2 One month prior to reaching the reference age, the insured person must inform PKL in writing which of the aforementioned alternatives are to be implemented. This choice cannot then be changed until actual retirement. Unless notification is received to the contrary, the default option is to defer the retirement benefits.

3 In the event the retirement benefits are deferred, interest will continue to be paid on the retirement savings and, in the event of continuation of employee benefits coverage, the savings contributions made by the insured person in accordance with Art. 20. The applicable rate for savings contributions between the reference age and the time of actual retirement corresponds to the rate valid at the reference age. Risk contributions are no longer charged.

The interest rate specified in Art. 22 shall be applied to the retirement assets.

4 The annual amount of the retirement pension corresponds to the retirement assets available at the time of retirement, multiplied by the increased conversion rate specified in Appendix D. Table 1.

5 If the insured person withdraws for health reasons after the reference age, but before they reach age 70, the benefits shall be paid as a retirement benefit on the first day of the month following the onset of the incapacity

6 If the insured person dies after the refence age but before they reach age 70, the death benefits shall be based on the retirement pension that would have accrued upon retirement at the end of the month in which death occurred. If the available retirement assets exceed the cash value of the survivors' benefits, the excess is paid out additionally as a lump sum.

Art. 31 Lump-Sum Option upon Retirement

1 At the time of retirement, the insured person may request payment of part or all of their existing retirement assets in the form of a lump sum. In the event of retirement in stages, a maximum of three lump-sum withdrawals are possible.

The corresponding written declaration concerning the choice between a retirement pension or a lump-sum payment must be submitted by the time the first retirement benefits are paid out and is irrevocable from that time onwards.

In the case of married persons, the declaration must be co-signed by the spouse as an indication of consent. The spouse’s signature must be officially authenticated or confirmed by the residents’ registration office. The certification or confirmation must not be older than 6 months. If the insured person is unable to obtain consent or if consent is refused, the insured person may apply to the civil court.

2 If a one-time lump-sum payment is received in lieu of part of the retirement pension, all entitlements under the Regulations, including the spouse's benefit, civil partner’s pension, pensioner’s children’s benefits and orphan’s benefits, shall be deemed settled in terms of this part.

3 If the insured person has made additional buy-ins in the three years prior to retirement or early retirement, they may only draw the portion of the benefit financed by such additional purchases in the form of a pension. The portion of the benefit financed by this buy-in shall equal the amount of the purchase plus interest at the time.

4 Upon reaching the reference age, the disability pension recipient may draw the retirement savings as a lump sum under the same conditions as stipulated in cl. 1 to 3.

Art. 32 Retirement Children’s Benefit

1 The retirement pension recipient is entitled to a retirement children's benefit for each child who would be entitled to an orphan’s benefit under the Regulations in the event of death. No retirement children's benefit shall be paid for foster children fostered in the joint household after the foster parent became entitled to a retirement pension. However, this does not apply to the children of the spouse or cohabiting partner entitled to a pension.

2 The retirement children’s benefit shall be paid at the earliest from the same date as the retirement pension.

3 Entitlement to a retirement children's benefit shall lapse when the underlying retirement pension ceases, but at the latest when entitlement to the orphan’s benefit under the Regulations would cease.

4 The annual retirement children's benefit amounts to **20% of the current retirement** pension for each child. However, it may not be less than the amount of a previously paid disabled person's children's benefit.

In the event of a pension settlement upon divorce, Arts. 17(2) and 21(3) and (4) OPA shall apply for the calculation.

Art. 33 General Provisions on Disability

1 Incapacity for work is the total or partial inability to perform reasonable work in the existing occupation or field of activity because of an impairment of physical, mental or psychological health. A suitable occupation in another job or area of responsibility is taken into consideration for an extended period of disability.

2 Inability to earn a living is the total or partial loss of employment opportunities on the relevant balanced labour market caused by impairment of physical, mental or psychological health and remaining after reasonable treatment and rehabilitation. For purposes of determining the existence of an inability to earn a living, it is only the effects of the health impairment that are taken into account. Inability to earn a living only exists if it is objectively insurmountable.

3 Disability occurs if the insured person is expected to become fully or partially unable to earn a living either permanently or for an extended period or if they are disabled according to the invalidity insurance (IV) office.

4 Incapacity for work, inability to earn a living and disability refer to the field of employment.

5 The decision of the IV office shall govern the recognition of disability and the determination of the degree of disability. In the event of special circumstances, PKL may have the state of health and the ability to earn a living assessed by PKL’s medical examiner. In such an eventuality, the degree of disability shall be determined based on the loss of income resulting from the disability, measured against the previous salary. PKL is entitled to forward medical and other documents relevant to the case to the medical examiner.

6 If the insured person or disability pension recipient refuses to undergo the medical assessment by PKL's medical examiner or to file an application with the IV office, PKL may refuse or suspend the benefits.

7 The disability pension recipient must inform the PKL immediately of any changes in the degree of disability and any income earned.

8 The degree of disability shall be reviewed periodically. Even in the event of audits, PKL is entitled to forward medical and other documents relevant to the case to PKL's medical examiner. If there is a change in the degree of disability or the extent of the inability to earn a living, PKL may adjust or discontinue the disability pension accordingly.

9 In the case of partial gainful employment, only the restriction in gainful employment shall be taken into account. The degree of disability is based on the part-time employment insured at the onset of the incapacity for work.

10 In the event of partial disability, the retirement assets available at the start of entitlement to a disability pension from PKL and the insured salaries at the start of the incapacity for work are divided up based on the entitlement to a disability pension

The retirement assets corresponding to the disability portion are maintained in the same way as for a fully disabled insured person in accordance with Art. 36, and the retirement assets corresponding to the active portion are maintained in the same way as for an insured person who is fully able to earn a living.

11 If the employment relationship of an active insured person entitled to a partial disability pension from PKL ends, leaving shall be processed for the active portion of the retirement assets not taken into account in calculating the disability pension.

Art. 34 Temporary Disability Pension

1 Insured persons are entitled to a disability pension if they are at least 25% disabled for health reasons and were insured with PKL at the onset of incapacity for work, the cause of which led to the disability.

2 The insured person is entitled to a disability pension corresponding to their degree of disability of at least 25%. The amount of their pension entitlement is determined as a percentage of a full pension.

Partial disability of less than 25% does not give rise to any entitlement to benefits. If the partial disability amounts to at least 25% but less than 60%, the entitlement is in line with the degree of disability. If the partial disability amounts to at least 60% but less than 70%, the insured person is entitled to 75% of the benefits established for full disability. Partial disability of 70% or more entitles the insured person to the benefits established for full disability.

3 If there is only an entitlement to the statutory minimum OPA benefits, the level of the disability benefits shall be determined in accordance with the statutory provisions, taking account of the degree of disability.

4 The annual disability pension amounts to **60%** of the **insured salary for risk** in the event of full disability The calculation shall be based on the last insured salary prior to the onset of incapacity for work.

The disability pension is limited to the amount of 10 times the maximum simple OASI retirement pension.

For a part-time insured person or partially disabled insured person, the maximum amount of the disability pension is adjusted according to the degree of employment or entitlement to a disability pension.

5 Entitlement to a disability pension commences as soon as the insured person ceases to receive a salary or compensation in lieu of salary amounting to at least 80% of the lost salary and for which the employer had paid at least half of the premiums.

6 Entitlement to a disability pension lapses upon the death of the disability pension recipient, the disability ceases, the degree of disability falls below 25% (subject to reintegration as defined in Art. 8a InvIA), or at the latest when the disability pension recipient reaches the reference age.

7 Retirement benefits under the Regulations are payable for disability pension recipients from the first day after reaching the reference age.

Art. 35 Reintegration under Art. 26a OPA

1 As long as an insured person or a disability pension recipient receives a transitional disability benefit during an attempt at reintegration pursuant to Art. 8a InvIA, the entitlement to insurance and benefits vis-à-vis PKL shall remain intact even if the attempt at work is made with an employer that is not affiliated with PKL.

2 If the disability pension is reduced or terminated after the reduction in the degree of disability, the insured person or disability pension recipient shall remain insured with PKL for three years under the same conditions, provided that:

a) prior to the reduction or termination of the bridging pension, they participated in reintegration measures as defined in Art. 8a InvIA or

b) the transitional pension was reduced or terminated due to the resumption of gainful employment or an increase in the degree of employment;

c) the insured person receives a transitional benefit pursuant to Art. 32 InvIA.

3 During the continuation of insurance or the maintenance of entitlement to benefits, PKL may reduce the disability pension such that the reduction is offset by additional income of the insured person or disability pension recipient.

Art. 36 Exemption from Contributions in the Event of Incapacity for Work and Disability

1 In the event of an insured person’s uninterrupted incapacity for work of at least 25%, the obligation to pay contributions lapses from the 91st day after the onset of incapacity for work or at the end of entitlement to full salary – depending on the degree of incapacity for work – for the insured person

In the period between the 91st day after the onset of incapacity for work or the end of entitlement to full salary for the insured person and the onset of disability, the savings process shall continue in accordance with the contribution option (Standard, Medium or Top) selected by the insured person prior to the onset of incapacity for work. The savings process shall end upon termination of the employment relationship.

For the employer, the obligation to pay contributions ends in the event of the insured person’s uninterrupted incapacity for work of at least 25%, when the employment relationship is terminated, or at the latest when the insured person no longer receives compensation in lieu of salary amounting to at least 80% of the lost salary and for which the employer had paid at least half of the premiums. In the event of disability of the insured person, the employer's obligation to pay contributions shall end at the onset of the disability.

The employer shall also pay the insured person's contributions from the 91st day after the onset of incapacity for work or from the end of entitlement to the full salary for the insured person, for as long as the employer's obligation to pay contributions continues. The contribution option chosen by the insured person before the onset of incapacity for work shall be controlling.

The exemption from contributions shall continue after the onset of disability. PKL shall then increase the retirement assets with the retirement credits according to the Standard plan option, including interest.

2 The basis for the continuation of the savings process by PKL shall be the insured salary prior to the onset of incapacity for work. The exemption from contributions shall apply to the part of the salary that can no longer be earned.

3 If the insured person is temporarily fit for work again and this working capacity does not last for more than one year, the waiting period for the exemption from contributions does not begin to run again, provided the incapacity for work is due to the same cause.

4 If the incapacity for work that results in the disability begins during a period of unpaid leave, the basis for the exemption from contributions shall be the insured salary prior to the start of the unpaid leave.

5 The entitlement to the exemption from contributions shall lapse in full or in part upon termination of the employment relationship, if the incapacity for work ends in full or in part, the entitlement to a disability pension from PKL lapses in full or in part, the IV office ceases to pay its benefits when the insured person or the disability pension recipient dies, but at the latest when the reference age is reached.

6 For insured persons receiving hourly wages, the savings contributions are calculated on the basis of the average of the last 12 insured basic salaries prior to the onset of incapacity for work.

Art. 37 Disability Children's Benefit

1 The disability pension recipient is entitled to a disability children's benefit for each child who would be entitled to an orphan's benefit under the Regulations in the event of death. A disability children's benefit is not paid for foster children who were fostered in the joint household after the foster parent became entitled to a disability pension. However, this does not apply to the children of the spouse or cohabiting partner entitled to a pension.

2 The disability children's benefit is paid from the same date as the disability pension.

3 Entitlement to a disability children's benefit shall lapse when the underlying disability pension ceases, but at the latest when entitlement to the orphan's benefit under the Regulations would cease.

4 The annual disability children's benefit amounts to **20% of the disability benefit** for each child.

Art. 38 Spouse’s Benefit

1 If an insured person or a retirement or disability pension recipient dies, their surviving spouse is entitled to a spouse’s benefit.

2 Entitlement to a spouse’s benefit shall commence on the first day of the month after the salary, posthumous salary payment or retirement or disability pension lapses.

3 Entitlement to a spouse's benefit shall cease at the end of the month in which the surviving spouse dies or remarries before age 45.

In the event of remarriage before age 45, the surviving spouse shall receive a one-off payment in the amount of three times the annual amount of the spouse's benefit.

In the event of remarriage of the divorced spouse, the benefit shall lapse without there being any entitlement to a lump-sum payment.

4 Where the insured person dies **before** the start of the retirement pension, the annual spouse's benefit amounts to **60% of the disability pension**.

Where the insured person dies **after** the start of the retirement pension, the annual spouse's benefit amounts to **60% of the retirement pension**.

5 If the spouse or divorced spouse is more than 10 years younger than the insured person, the pension shall be reduced by 1% of the full amount for each full or partial year by which the spouse or divorced spouse is more than 10 years younger than the insured person.

If the insured person marries after the reference age, the pension, which has already been reduced where appropriate in accordance with the above provisions, will be further reduced as follows:

- Marriage at age 66:	80%
- Marriage at age 67:	60%
- Marriage at age 68:	40%
- Marriage at age 69:	20%
- Marriage after age 69:	0%

If marriage takes place after the reference age and the insured person was suffering from an illness of which they must have been aware and as a result of which death occurs within two years of the marriage, there shall be no entitlement to a pension.

The entitlement to the minimum benefits under provisions of the OPA shall remain unaffected under all circumstances.

6 The divorced spouse of the deceased insured person or retirement pension recipient shall be treated in the same way as a surviving spouse, provided that:

a) the divorced spouse was awarded a (maintenance or compensation) benefit in the divorce decree, and

b) the marriage lasted at least 10 years.

The entitlement to death benefits to the divorced spouse shall continue for as long as the benefit would have been owed under the divorce decree. In other respects, Art. 20 OPO 2 shall also apply.

However, the benefit from PKL shall be reduced by the amount by which it, together with the benefits from other insurance schemes (including but not limited to OASI and IV), exceeds the entitlement under the divorce decree.

After the transfer of part of the termination benefit in the event of divorce, a subsequent buy-in by the insured person shall have no effect on any benefit paid to the divorced spouse.

[7] A one-off lump sum may be drawn in lieu of the full or partial benefit.

The one-off lump-sum payment for a surviving spouse or civil partner who has reached age 45 at the time of the insured person's death shall be equal to the cash value of the portion of the benefit drawn as a lump sum, taking account of the age of the surviving spouse or civil partner. If the surviving spouse or civil partner has not yet reached age 45, the cash value calculated in accordance with the above principles shall be reduced by 3% for each full or partial year by which the surviving spouse or civil partner is under age 45 at the time of the insured person's death. However, the one-off lump sum payment shall be at least four times the amount of the benefit drawn as a lump sum.

A written declaration to draw a one-time lump sum payment must be submitted before the first benefit payment is made.

With the exception of entitlement to an orphan's benefit, all entitlements covered by the Regulations are settled for the portion drawn as a lump sum.

Art.39 Civil Partner's Benefit (in the case of non-registered partnerships)

[1] The surviving civil partner of an insured person who is unmarried or not in a registered partnership shall be treated in the same way as a surviving spouse after the insured person's death, provided that:

a) the civil partner is not receiving a spouse's benefit, survivor's benefit from a registered partnership or civil partner's benefit from a Pillar 2 pension fund, unless it is a lifelong benefit under Art. 124a CC in connection with a divorce,

b) the civil partner is unmarried and not in a registered partnership,

c) the civil partner is neither related to the insured person nor has a stepchild relationship with them (Art. 95(1) and (2) CC),

d) the civil partner lived with the insured person

   - in the same household at the same official residence as life partners and for at least the last five years preceding the death (if and as long as the health situation permitted), or
   - at the time of death, lived in the same household at the same official residence as life partners and is responsible for the maintenance of one or more mutual children entitled to orphan's benefits under these Regulations

[2] The provisions of Art. 38 shall apply by analogy. The date of commencement of the joint household shall apply in lieu of the date of the marriage. The partnership must be reported to PKL in writing during the insured person's lifetime using the form provided by PKL.

[3] Within six months of the insured person's or pensioner's death, the civil partner must declare their entitlement to a civil partner's pension in writing and provide proof of entitlement.

4 The civil partner's benefit shall cease upon marriage or entry into a new non-registered partnership. If a partnership is dissolved, there is no longer any entitlement to a civil partner's benefit.

5 The provisions on the civil partner's benefit shall also apply to same-sex civil partners.

6 The surviving civil partner is not entitled to the minimum benefits for spouse's benefits under the provisions of the OPA.

Art. 40 Orphan's Benefit

1 If an insured person or a retirement or disability pension recipient dies, each child is entitled to an orphan's benefit if they

a) have not reached age 18 or

b) are studying / in school and have not yet reached age 25 or

c) became disabled before age 25 and are not entitled to a disability benefit under the OPA, AIA or MilIA; the payment is made in accordance with the degree of disability until the ability to earn a living is attained.

2 For purposes of the Regulations, the term "children" refers to children as defined in Art. 252 ff. CC and foster children as defined in Art. 49 of the Swiss Ordinance on the Old-Age and Survivors Insurance (OASIO), as well as stepchildren who have been taken into the joint household without remuneration for the purpose of permanent care and upbringing.

3 Entitlement to an orphan's benefit shall commence on the first day of the month after the salary, supplementary salary or retirement or disability pension lapses, but at the earliest on the first day of the month following the birth of the child.

4 Entitlement to an orphan's benefit shall cease at the end of the month in which the child turns 18 years of age.

If the child is a student, the entitlement shall continue until the end of the month in which their education is concluded, but at the latest until the end of the month in which the child turns 25 years of age.

If the child became disabled before age 25 and they are not entitled to a disability benefit under the OPA, AIA or MilIA, their entitlement to an orphan's benefit shall lapse at the end of the month in which they become able to earn a living.

If the child dies, the entitlement lapses at the end of the month following death.

5 The orphan's benefit shall continue to be paid without interruption if the child resumes training after completing their education. The maximum interruption period is 2 months, in which the orphan's benefit shall continue to be paid without a written confirmation of training.

6 The amount of the annual orphan's benefit for each child amounts to **20% of the disability pension** before retirement or **20% of the retirement pension** after retirement.

If a child is a full orphan, the orphan's benefit described above shall be doubled.

In the event of a pension settlement upon divorce, Art. 21(3) and (4) OPA shall apply to the calculation.

Art. 41 Lump-Sum Death Benefit

1 A lump-sum death benefit is payable if the insured person dies before commencement of their retirement pension or a disability pension recipient dies before the reference age.

2 The amount of the lump-sum death benefit shall be equal to:

a) if entitlement to a spouse’s or civil partner’s benefit arises:

- the personal buy-in amounts paid to PKL since the start of the contribution, but no earlier than 1 January 2016, plus interest
- the portion of the retirement assets acquired after deduction of the lump-sum death benefit from purchases made by the insured person that is not required in order to finance the spouse’s or civil partner’s benefit.

The lump-sum death benefit from buy-ins shall be reduced by any advance withdrawal made under the home-ownership assistance programme and/or by any withdrawal in connection with divorce from the PKL retirement account as of 1 January 2016.

Additional savings contributions pursuant to Art. 21(1) and compensation contributions made by the employer in connection with acquisitions of insured persons shall be treated in the same way as personal buy-in contributions.

In the event of re-enrolment with PKL, only buy-ins, contributions and payments made since the last enrolment shall be taken into account.

b) if there is no entitlement to a spouse’s or civil partner’s benefit:

- the retirement assets accrued at the time of death.

For this purpose, pensions paid to divorced spouses pursuant to Art. 47 do not qualify as a spouse’s or civil partner’s pension.

3 Irrespective of inheritance law, survivors are entitled to the full lump-sum death benefit, subject to any restrictive statutory provisions, in the following order of priority and to the following extent:

I. spouse and children of the deceased person who are entitled to an orphan’s benefit under Art. 40. Foster children and stepchildren shall be treated in the same way as the children referred to in Art. 252 CC, provided they were wholly or mainly supported by the insured person.

II. In the absence of beneficiaries as defined in Section I, the persons substantially supported by the deceased person. An unmarried civil partner living in a domestic partnership is deemed to be such, provided that the partnership has existed for at least 5 years in a form similar to a marriage or the deceased person was responsible for the maintenance of one or more children. The partnership must be reported to PKL in writing during the insured person's lifetime using the form provided by PKL. PKL shall confirm receipt of the declaration of intent. In cases of doubt, the Board of Trustees shall decide on the respective entitlement of civil partners.

III. In the absence of beneficiaries under Sections I and II, the children of the deceased person who do not fulfil the prerequisites of Art. 40, the parents and siblings.

The other statutory heirs shall have no entitlement.

4 The insured person may change the beneficiary groups specified in paragraph 3 to the following extent by means of a written declaration to PKL:

a) If there are persons as defined in Section II, the insured person may combine the beneficiaries as defined in Sections I and II and freely choose the shares within this group.

b) If there are no persons as defined in Section II, the insured person may combine the beneficiaries as defined in Sections I and III and freely choose the shares within this group.

5 The insured person may provide PKL with a written declaration stating which persons within the group of beneficiaries (paragraphs 3 and 4) are entitled to the lump-sum death benefit and in what amounts.

6 If no declaration has been made concerning the distribution of the lump-sum death benefit, the benefit shall be distributed among several beneficiaries equally.

7 Any portions of the lump-sum death benefit that are not paid out shall be retained by PKL.

E. Termination of the Pension Plan

Art. 42 Entitlement to a Termination Benefit

1 An insured person who leaves PKL before an insured event (retirement, death or disability) occurs is entitled to a termination benefit. To this end, PKL shall prepare a statement of account for the termination benefit in accordance with the provisions of Art. 8 VBA.

2 An insured person whose employment ends before the reference age as defined in Art. 25 and who is entitled to early retirement benefits may also claim a termination benefit in lieu thereof. In order to do so, the insured person must provide proof before the end of the employment that they

a) either continue to be gainfully employed and are insured with another pension fund

b) are registered as unemployed.

3 An insured person whose disability pension is reduced or terminated after the degree of disability has been reduced is entitled to the payment of a termination benefit.

This entitlement shall only arise in connection with reintegration under Art. 26a OPA after the expiry of the provisional continuation of insurance and the maintenance of the entitlement to benefits.

4 The termination benefit shall fall due upon termination of employment. From this date, it earns the OPA minimum interest rate. If PKL fails to transfer the benefit within 30 days of receipt of all necessary information, it must pay default interest from this date forward.

Art. 43 Amount of the Termination Benefit

1 The termination benefit comprises the existing retirement assets.

2 The termination benefit shall be calculated in accordance with the VBA, particularly Art. 15 VBA (entitlement to defined contributions) and in accordance with the minimum amount pursuant to Art. 17 VBA (non-interest-bearing contributions method).

3 The termination benefit is at least equal to the retirement assets under the OPA.

Art. 44 Use of the Termination Benefit

1 PKL shall transfer the termination benefit

a) to the new employer's pension fund;

b) at the request of the insured person, into a vested benefits account in Switzerland or into a Swiss life insurance company in order to establish a vested benefits policy, unless the insured person enrols in a new pension fund, or

c) to the Substitute Occupational Benefit Institution (after six months at the earliest, and after two years at the latest), unless the insured person notifies PKL of the acceptable form in which they wish to obtain insurance cover.

2 In the event referred to in paragraph 1(b), the termination benefit may be split, subject to the following limitation: a maximum of two different vested benefits schemes and a single vested benefits account or a single vested benefits policy per scheme.

3 Upon payment of the termination benefit, PKL shall be released from all obligations towards the insured person and their survivors. The foregoing shall be without prejudice to the provision of risk protection for disability and death until the start of new employment but for no longer than one month (extended coverage period). If PKL therefore subsequently becomes obligated to pay benefits, it shall demand reimbursement of the termination benefit transferred. If the termination benefit already paid out is not refunded, the benefits shall be reduced accordingly.

4 The insured person may request to have their termination benefit paid out in cash if:

a) they definitively leave the Swiss and Liechtenstein Economic Area. However, if the insured person moves to an EU or EFTA member state and remains subject to compulsory retirement, disability and death insurance under the legislation of that state, the portion of the termination benefit corresponding to the OPA retirement assets cannot be paid out in cash;

b) if they leave PKL as a cross-border commuter, provided that they stop working in Switzerland entirely and are no longer insured with any Swiss pension fund; however, if they reside in an EU or EFTA member state and remain subject to compulsory retirement, disability and death insurance under the legislation of that state, the portion of the termination benefit corresponding to the OPA retirement assets cannot be paid out in cash;

c) if they become self-employed as their main occupation in Switzerland or Liechtenstein and are no longer subject to the compulsory pension provision. The insured person must submit the relevant supporting documents to PKL;

d) if the amount of the termination benefit is less than the insured person's annual contribution at the time of termination of employment.

5 If the insured person is married, the benefit may only be paid out in cash with the written consent of their spouse. The spouse’s signature must be officially authenticated or confirmed by the residents’ registration office. The certification or confirmation must not be older than 6 months. If the consent cannot be obtained or is withheld without any valid justification, the insured person may apply to the civil court.

6 If the insured person has made an additional buy-in, they may withdraw in cash the portion of the benefits financed by such buy-in at the earliest three years after the relevant buy-in. The portion of the benefit financed by this buy-in shall equal the amount of the purchase plus interest at the time. In the meantime, the amount in question must be set aside in a vested benefit policy or a vested benefits account exclusively for the purposes of purchasing additional benefits.

7 The insured person must provide the documents necessary for the cash payment to be made.

F. Special Provisions

Art. 45 Unpaid Leave

1 If the employer's obligation to continue salary payments ceases for less than one month without the employment relationship being terminated or if an insured event occurs in accordance with these regulations, the insurance remains unchanged and does not entail any change in the required contributions.

2 If the insured person has unpaid leave of more than one month but no more than one year, they have the following options:

a) the obligation to pay contributions shall be discontinued at the start of the leave and the accumulation of retirement assets shall be suspended for the duration of the unpaid leave. In the event of death or incapacity for work, the cause of which leads to disability, during the first month of leave, the ordinary insurance benefits shall be paid out. In the event of death or incapacity for work, the cause of which results in disability, after the first month of leave, the retirement assets shall be paid out to the insured person or their survivors as a lump sum;

b) the risks of death and disability shall continue to be insured to the previous extent and the accumulation of retirement assets shall be suspended for the duration of the unpaid leave;

c) the insurance (risk and savings) shall continue unchanged.

If the insurance is continued in accordance with clause b or c, the insured person must pay the employer’s contributions besides the employee contributions.

The basis for determining benefits and contributions is the previous annual salary prior to the start of leave.

3 In any event, interest shall continue to accrue on the retirement savings account.

4 The employer shall arrange for collection from the insured person.

5 Unpaid leave of more than two years leads to withdrawal from PKL and payment of the withdrawal benefit. Leaving shall take place on the last day before the start of the unpaid leave.

Art. 46 Home-Ownership Assistance Programme

1 In accordance with the statutory provisions on the home-ownership assistance programme using occupational pension assets, insured persons who are able to earn a living may pledge their entitlement to retirement, disability and death benefits or an amount up to the amount of their termination benefit for the following purposes or withdraw the separation benefit or a portion thereof in advance (subject to Art. 5):

a) for the purchase or construction of a condominium or a single-family home

b) for a share in a housing cooperative, tenant corporation or non-profit housing developer

c) for the repayment of mortgage loans.

This is conditional on the insured person using the condominium, single-family home or co-financed home (share) at their domicile or habitual residence.

If the insured person is fully disabled, pledging and prepayment is not possible; if they are partially capable of working, pledging and prepayment is possible for the portion of the employee pension scheme relating to gainful employment.

If the insured person is married, the written consent of their spouse is required for a pledge or an advance withdrawal. The spouse's signature must be officially authenticated or confirmed by the residents' registration office. The certification or confirmation must not be older than 6 months. If the consent cannot be obtained or is withheld, the insured person may apply to the civil court. The pledge must be reported to PKL in writing.

If the insured person has made an additional buy-in, they may make an advance withdrawal in cash of the portion of the benefit financed by such buy-in at the earliest three years after the relevant buy-in. The portion of the benefit financed by this buy-in shall equal the amount of the purchase plus interest at the time.

2 The pledge and the right to make an advance withdrawal may be exercised up to three years before normal retirement age, up to a maximum amount.

Maximum amount up to age 50:

This amount shall be equal to the termination benefit specified in Art. 43 on the date of the pledge or advance withdrawal.

Maximum amount after reaching age 50:

This amount shall be equal to the termination benefit specified in Art. 43 upon reaching age 50 or, if this amount is higher, half of the termination benefit on the date of the pledge or advance withdrawal.

The minimum amount for the advance withdrawal is CHF 20,000. The foregoing shall be without prejudice to the relevant statutory provisions. The amount withdrawn in advance or the proceeds from the realisation of the pledged benefit entitlements shall be taxed at the time of payment. PKL shall report the advance withdrawal and the realisation of the pledge to the Swiss Federal Tax Administration.

An advance withdrawal may be requested every five years.

3 The amount withdrawn in advance shall be debited from the retirement account maintained individually for the insured person. This results in lower retirement benefits as well as lower disability and death benefits, provided that their determination is based on the amount of retirement assets.

In the event that there is a gap in the pension cover for disability and death benefits, supplementary insurance may be taken out. The costs of supplementary insurance shall be borne by the insured person.

4 The insured person may repay the advance withdrawal or the proceeds from the realisation of the pledge in one or more instalments up to the reference age, the occurrence of another insured event or their termination from PKL.

The minimum repayment amount is CHF 10,000. The insured person must repay the advance withdrawal in a lump sum if they sell the residential property or grant rights to the residential property that are economically equivalent to a sale.

Repaid amounts shall be allocated to the retirement assets pursuant to Art. 15 OPA and the extra-mandatory pension assets in the same proportion as for the advance withdrawal.

In the event of full or partial repayment of the advance withdrawal or of the proceeds from the realisation of the pledge, the insured person may, within three years of repayment, reclaim the amount of tax paid thereon, without interest, by submitting a written request to the authority of the canton that charged the tax. PKL shall notify the Swiss Federal Tax Administration of the repayment.

5 If the insured person has made advance withdrawals made under the home-ownership assistance programme, the contributions paid into PKL by the insured person or by the employer shall be used to repay the amount withdrawn in advance. Purchases are only possible after full repayment of the amount withdrawn in advance.

6 PKL may invoice the insured person for their administrative expenses associated with an advance withdrawal or a pledge.

7 If the insured person dies and no pension benefits are payable as a result of the death, PKL may reclaim the portion of the advance withdrawal not repaid by the date of death.

Art. 47 Divorce Benefits

1 In the event of divorce, any occupational pension assets accrued during the marriage up to the point at which divorce proceedings commence shall be offset. In the event of divorce under Swiss law, the competent court shall decide on the claims of the spouses pursuant to Arts. 122 to 124e CC.

2 If part of the termination benefit transferred in connection with the enforcement of the divorce, the mandatory and extra-mandatory portions of the retirement assets shall be reduced proportionately by the claimed amount. The resulting benefits shall be reduced accordingly. If the insured person is partially disabled, the vested benefit shall be taken from the active part of the insurance, while a remaining partial amount shall be taken from the passive part of the insurance

3 If any part of the pension is transferred in connection with the enforcement of the divorce, paragraph 2 shall apply by analogy.

4 A current disability pension determined on the basis of the retirement assets or the insured retirement pension shall be reduced when a portion of the hypothetical termination benefit is transferred. The reduction corresponds to the transferred withdrawal benefit multiplied by the conversion rate applicable for the calculation of the retirement pension at the reference age at the time of initiation of the divorce proceedings. If the hypothetical termination benefit is calculated pursuant to Art. 16 VBA, the reduction shall be calculated in accordance with the applicable present-value factor at the insured person's age up-on initiation of the divorce proceedings.

5 The amount and use of a transferable termination or pension entitlement shall be determined in accordance with the legally binding court judgment.

6 The insured person has the option of making a new buy-in as part of the transferred termination benefit. This entitlement does not apply to the passive part of the insurance. The provisions on enrolment in PKL shall apply in like manner.

If the insured person does not make a new buy-in, PKL shall inform the insured person of the new, reduced benefits at the time of the transfer.

7 If an insured person receives a termination benefit or a share of his/her divorced spouse's pension benefit as a result of a divorce settlement, this shall be treated as a buy-in amount and allocated to the mandatory and supplementary retirement assets according to the information of the transferring pension fund. The maximum possible buy-in amount shall be calculated at the time of the transfer.

The insured person shall inform PKL of their entitlement to a lifelong pension and identify the pension fund of their divorced spouse.

If the insured person is partially disabled, a transfer is only possible for the portion of the employee pension scheme relating to the partial ability to earn a living.

8 The enforceability of foreign divorce decrees concerning the division of pension assets with a Swiss pension fund must be claimed by the insured person or beneficiary before the competent civil court at the registered office of PKL and declared enforceable by the latter.

9 If the marriage of a retirement pension recipient is divorced after retirement age and a court has ruled on the division of the retirement pension or disability pension, the retirement pension or disability pension shall be reduced by the portion of the pension awarded. The portion of the pension allocated to the divorced spouse shall be converted into a lifelong benefit for the divorced spouse pursuant to Art. 19h of the Ordinance on the Vesting of Occupational Old Age, Survivors' and Invalidity Benefits (VBO) on the date the divorce takes legal effect In the case of a disability pension recipient, the portion of the pension allocated to the divorced spouse shall continue to be taken into account in calculating any reduction in the disability pension pursuant to Art. 10(2). Entitlement to a lifelong pension shall lapse upon the death of the entitled spouse.

10 PKL shall transfer the lifelong benefit to the divorced spouse's pension fund or vested benefits scheme. The payment terms prescribed by law shall apply. The interest rate shall be equal to half of the interest rates at which the pension fund pays interest on the pension assets for the same period.

PKL and the divorced spouse may agree to a lump-sum transfer in lieu of the pension transfer. The lump-sum settlement will be actuarially calculated according to PKL's actuarial bases. Upon payment of the benefit, all further entitlements of the divorced spouse shall expire.

11 If the entitled divorced spouse is eligible for a full disability pension or has reached the minimum age for early retirement under the OPA, they may request payment of the lifelong pension. If the divorced spouse has reached the OPA retirement age, they shall be paid a lifelong pension. They may request the transfer of the pension to their pension fund if they can still make buy-ins under the regulations of that pension fund.

12 If an insured person’s insured event of retirement occurs during the divorce proceedings, PKL shall reduce the termination benefits and pension benefits to the limit permitted by law. PKL also reserves the right to demand repayment of overpayments.

13 If the entitled divorced spouse receives a lifelong pension, they shall be subject to the same rights and obligations as the other pensioners of PKL. The death of a divorced spouse shall not trigger any benefits.

Art. 48 Restructuring Measures

1 In the event of a gap in coverage as defined in Art. 44 OPO 2, the Board of Trustees, in collaboration with the occupational benefits expert, shall determine appropriate measures to remedy the gap in coverage. If necessary, the interest on asset balances, financing and benefits, inter alia, may be adjusted to the available resources. The principle of proportionality must be observed.

2 If the measures specified in paragraph 1 prove unsuccessful, PKL may, subject to compliance with the principles of proportionality and subsidiarity, collect contributions from the insured persons, the employer and the pensioners to remedy the gap in coverage. The employer's contribution must be at least equal to the total contributions of all insured persons. A contribution from pensioners may only be collected on the portion of the pension that has resulted from increases not prescribed by law or regulations in the ten years prior to the introduction of the measure and that does not relate to the minimum benefits under the OPA. The amount of the pension at the time entitlement to the pension arises shall remain guaranteed. The pensioner's contribution shall be offset against current benefits. The restructuring contribution shall not be taken into account when calculating the minimum termination benefit.

3 If the measures set out in paragraph 2 prove insufficient, PKL may fall below the minimum interest rate under the OPA for the duration of the gap in coverage, but for no more than five years. The percentage by which PKL falls below the minimum interest rate may not exceed 0.5%.

4 In the event of a gap in coverage, the employer may make deposits to a separate "Employer's contribution reserve with waiver of use" account and transfer funds from the ordinary employer contribution reserve to this account. The employer and PKL shall conclude a corresponding written agreement. The deposits may not exceed the amount of the gap in coverage and shall not be interest-bearing. The employer's contribution reserve with waiver of use shall remain in place for as long as the gap exists.

5 In the event of a gap in coverage, PKL may limit the time and amount of the advance withdrawal or refuse it altogether if the advance withdrawal is intended to repay mortgage loans.

6 If there is a gap in coverage in PKL, the Board of Trustees must inform the supervisory authority, the employer, the insured persons and pensioners regarding the gap and the measures established in collaboration with the occupational benefits expert.

Art. 49 Partial Liquidation

1 The prerequisites for partial liquidation and the procedure are set out in detail in the Partial Liquidation Regulations issued by the Board of Trustees and enacted by the supervisory authority.

G. Organisation

Art. 50 Governing Bodies and Administration

1 The governing bodies and administration of PKL are:

a) the Board of Trustees;

b) the Executive Board;

c) the Auditor; and

d) the occupational benefits expert.

Art. 51 Organisational Regulations

1 The Board of Trustees shall issue Organisational Regulations which shall govern all organisational matters of PKL.

H. Final Provisions

Art. 52 Application of the Regulations and Limitation of Liability

1 The German version of the Regulations shall be authoritative.

2 Insofar as these Regulations lack provisions for special circumstances, the Board of Trustees shall adopt rules that are consistent with the purpose of PKL.

3 PKL shall not be liable to insured persons, pensioners or third parties for any consequences which may arise if they fail to comply with obligations arising from law, contracts or these Regulations.

Art. 53 Legal Proceedings

1 Disputes concerning the application of these Regulations shall be decided by the ordinary courts in accordance with the provisions of the OPA. The Swiss courts shall have exclusive jurisdiction.

Art. 54 Amendments

1 The Board of Trustees is authorised to amend these Regulations at any time. Any amendments will be brought to the attention of the responsible supervisory authority and all insured persons and pensioners.

2 However, the separation benefit available to the individual insured person must continue to be used for their pension provision. Entitlements that have already vested shall no longer be affected by an amendment to the Regulations.

Art. 55 Publication, Exchange of Data and Information

1 Notices to insured persons and pensioners of PKL shall be given in writing by post and/or publication on the pension fund’s own website.

2 Notices to third parties shall appear in the Swiss Official Gazette of Commerce.

3 Information on the personal data of insured persons is generally always provided via the Pension Cockpit online portal, and for pensioners generally via written correspondence. Furthermore, information may be provided to insured persons and pensioners via electronic means of communication (e.g. email). PKL generally transmits confidential data only via secure connections.

4 If the insured person requests PKL to provide personal data to any third party, the insured person must submit a corresponding written authorisation to PKL for this purpose.

5 PKL is entitled to provide information to third parties entrusted by the employer with the handling of tax issues, provided the insured person has consented to this in writing.

6 PKL is entitled to provide aggregated data to the employer or anonymised data for the purpose of calculations to third parties engaged by the employer, provided such data is required under international accounting standards (e.g. IFRS). No conclusions about individual insured persons can be drawn from the aggregated or anonymised data.

Art. 56 Processing of Personal Data

1 PKL is authorised to process or arrange the processing of such personal data, including sensitive personal data, as it requires so as to fulfil the duties incumbent on it under these Regulations, particularly for the purposes of:

a) calculating and collecting contributions;

b) assessing benefit entitlements and calculating and granting benefits and coordinating them with benefits from other social insurance schemes;

c) asserting claims for damages against third parties.

2 In order to fulfil these tasks, PKL is also authorised to request, process or arrange for the processing of personal data that specifically allows an assessment of the physical or mental health, needs and financial situation of the insured person.

3 In particular, the provisions of the OPA concerning the processing of personal data, inspection of files, the duty of discretion, data disclosure, and administrative assistance apply. The provisions of the Federal Act on Data Protection (FADP) also apply.

Art. 57 Entry into Force

1 These Regulations shall enter into force on 1 January 2024 by resolution of the Board of Trustees of 17 November 2023 and supersede all previous provisions of the Regulations.

2 The level of the pensions already in payment on 31 December 2023 shall remain unchanged. However, the amount of the reversionary death benefits included in the insurance, the relevant entitlement conditions and reduction provisions as a result of overinsurance or for other reasons shall be governed by these Regulations.

3 Entitlement to disability benefits and the savings process (retirement credit rates, any optional plan) shall be governed by the regulations in force at the onset of disability. However, the reference age and the conversion rate upon reaching the reference age shall be determined in accordance with these Regulations

4 For women born in 1960 or earlier, the reference age is reached at the first of the month following the 64th year of age. For women born in 1961 up to and including 1963, the reference age will be gradually increased by three months.

5 For disabled persons whose disability pensions are based on defined benefit regulations, future retirement benefits shall be calculated in accordance with the PKL regulations in force at the time.

Basel, November 2023

Pension Fund of Lonza

President	Vice President
Martin Kalbermatter	Corinna Bachmann

Appendix A:

Transitional Provisions

I. Transitional provisions for the reduction of the conversion rate on 1 January 2016

1 The following provisions apply to insured persons born in 1965 or earlier who were insured with PKL with reversionary retirement benefits on 31 December 2015:

a) For these insured persons, the retirement pension at the reference age 65/64 (65 for men, 64 for women) shall be calculated individually, taking account of the Pension Regulations in force from 1 January 2016 and a conversion rate of 6.0%, compared to the retirement pension taking account of the Pension Regulations in force from 1 January 2014 and a conversion rate of 7.0%

b) The expected retirement pensions are calculated on the basis of the following data:

- Annual salary (at 31 December 2015)
- Retirement assets (at 31 December 2015)
- Projected interest rate of 3.0% for retirement assets

c) If, by comparison, the new expected retirement pension turns out to be lower, the difference shall be capitalised and recorded as an additional credit in CHF as a “capitalised difference” depending on the entitlement factor as specified in clause d. Upon retirement, this amount shall be credited to the insured person's retirement assets (and converted into a retirement pension), subject to clauses e and f.

d) The additional credit, as a percentage of the capitalised difference, shall amount to:

Year	Additional credit as a % of the capitalised difference
up to 1956	100%
1957	90%
1958	80%
1959	70%
1960	60%
1961	50%
1962	40%
1963	30%
1964	20%
1965	10%
from 1966	0%

e) In the event of early retirement, the additional credit specified in clause d shall be discounted at an interest rate of 3.0% at the reference date of early retirement. In the event of partial retirement, the pro rata additional credit shall be credited to the retirement assets.

f) In the event of voluntary leaving, when choosing a lump sum payment in lieu of a pension or in the event of the death of the insured person, there shall be no entitlement to an additional credit. In the event of a partial lump-sum payment, the pro rata additional credit shall be credited against the retirement assets.

For insured persons who were insured with PKL on 31 December 2015 with reversionary retirement benefits, an interest credit of 2% shall be determined on their individual retirement assets at 31 December 2015. The interest credit shall be offset against the additional credit for benefit compensation, i.e. the additional credit shall be reduced by the amount of the interest credit extrapolated up to the reference age 65/64 (65 for men, 64 for women) at a projected interest rate of 3.0%. Insured persons shall be credited with the interest credit as one-off deposits to their retirement assets.

II. Transitional provisions for the reduction of the conversion rate on 1 January 2019

1 The following provisions apply to insured persons born in 1969 or earlier who were insured with PKL with reversionary retirement benefits on 31 December 2018:

a) For these insured persons, the retirement pension at the reference age 65/64 (65 for men, 64 for women) shall be calculated individually, taking account of the Pension Regulations in force from 1 January 2019 and a conversion rate of 5.4%, compared to the retirement pension taking account of the Pension Regulations in force from 1 January 2016 and a conversion rate of 6.0%.

b) For actively insured persons who are employed after the reference age 65/64 (65 for men, 64 for women) on 31 December 2018 and are insured with PKL, the retirement pension starting immediately on 1 January 2019 shall be calculated individually, taking account of the Pension Regulations in force from 1 January 2019, compared to the retirement pension starting immediately on 1 January 2019 taking account of the Pension Regulations in force from 1 January 2016.

c) The expected retirement pensions are calculated on the basis of the following data:

- Annual salary (at 31 December 2018)
- Retirement assets (at 31 December 2018)
- Projected interest rate of 3.0% for retirement assets

d) If, by comparison, the new expected retirement pension turns out to be lower, the difference shall be capitalised and recorded as an additional credit in CHF as a “capitalised difference” depending on the entitlement factor as specified in clause e. Upon retirement, this amount shall be credited to the insured person’s retirement assets (and converted into a retirement pension), subject to clauses f and g.

e) The additional credit, as a percentage of the capitalised difference, shall amount to:

Year	Additional credit as a % of the capitalised difference
until 1959	100%
1960	95%
1961	85%
1962	75%
1963	65%
1964	55%
1965	45%
1966	35%
1967	25%
1968	15%
1969	5%
from 1970	0%

f) In the event of early retirement, the additional credit specified in clause e shall be discounted at an interest rate of 3.0% at the reference date of early retirement. In the event of partial retirement, the pro rata additional credit shall be credited to the retirement assets.

g) In the event of voluntary leaving PKL, when choosing a lump sum payment in lieu of a pension or in the event of the death of the insured person, there shall be no entitlement to an additional credit. In the event of a partial lump-sum payment, the pro rata additional credit shall be credited against the retirement assets.

For insured persons who were insured with PKL on 31 December 2018 with reversionary retirement benefits, an interest credit of 2.5% shall be determined on their individual retirement assets at 31 December 2018. The interest credit shall be offset against the additional credit for benefit compensation, i.e. the additional credit shall be reduced by the amount of the interest credit extrapolated up to the reference age 65/64 (65 for men, 64 for women) at a projected interest rate of 3.0%. Insured persons shall be credited with the interest credit as one-off deposits to their retirement assets.

III. Transitional provisions for the reduction of the conversion rate on 1 January 2023

1 The following provisions apply to insured persons born in 1972 or earlier who were insured with PKL on 31 December 2022 as active or disabled persons with reversionary retirement benefits:

a) For actively insured persons, the retirement pension at the reference age 65/64 (65 for men, 64 for women) shall be calculated individually, taking account of the Pension Regulations valid from 1 January 2023 and a conversion rate of 5.0% compared to the retirement pension taking account of the Pension Regulations valid from 1 January 2021 and a conversion rate of 5.4%.

b) For actively insured persons who are employed after the reference age 65/64 (65 for men, 64 for women) on 31 December 2022 and are insured with PKL, the retirement pension starting immediately on 1 January 2023 shall be calculated individually, taking account of the Pension Regulations in force from 1 January 2023, compared to the retirement pension starting immediately on 1 January 2023 taking account of the Pension Regulations in force from 1 January 2021.

c) The expected retirement pensions are calculated on the basis of the following data:

- Annual salary (at 31 December 2022)
- Retirement assets (as at 31 December 2022)
- Elected optional plan for savings (as at 31 December 2022)
- Projected interest rate of 2.5% for retirement assets

d) For actively insured persons who are insured with the Swiss Life Collective Foundation for Complementary Pensions with affiliation number 90D878 as of 1 January 2023, the retirement pensions of the Collective Foundation shall also be taken into account. The additional payment shall be made on the basis of the retirement pension at the reference age 65/64 (65 for men, 64 for women), taking account of the pension plan in force until 31 December 2022 and the retirement pension taking account of the pension plan in force from 1 January 2023. The supplementary retirement pension is calculated on the basis of a projected interest rate of 1.25% and a conversion rate of 4.4855% for men and 4.5411% for women.

e) For disabled persons, the retirement pension at the reference age 65/64 (65 for men, 64 for women) shall be compared individually with the retirement pension calculated using a conversion rate of 5.4%, taking account of the Pension Regulations applicable to them and a conversion rate of 5.0%. The expected retirement pensions shall be calculated on the basis of the insured annual salary and the retirement assets as at 31 December 2022 and a projected interest rate of 2.5%. For disabled persons, clause d must also be observed.

f) If, by comparison, the new expected retirement pension turns out to be lower, the difference shall be capitalised and recorded as an additional credit in CHF as a “capitalised difference” depending on the entitlement factor as specified in clause g. Upon retirement, this amount shall be credited to the insured person's retirement assets (and converted into a retirement pension), subject to clauses h and i.

g) The additional credit, as a percentage of the capitalised difference, shall amount to:

Year	Additional credit as a % of the capitalised difference
until 1963	100%
1964	90%
1965	80%
1966	70%
1967	60%
1968	50%
1969	40%
1970	30%
1971	20%
1972	10%
from 1973	0%

h) In the event of early retirement, the additional credit specified in clause g shall be discounted at an interest rate of 2.5% at the reference date of early retirement. In the event of partial retirement, the pro rata additional credit shall be credited to the retirement assets.

i) In the event of voluntary leaving, when choosing a lump sum payment in lieu of a pension or in the event of the death of the insured person, there shall be no entitlement to an additional credit. In the event of a partial lump-sum payment, the pro rata additional credit shall be credited against the retirement assets.

2 For insured persons who were insured with PKL on 31 December 2022 as active or disabled persons with reversionary retirement benefits, an interest credit of 2.75% shall be determined on their individual retirement assets at 31 December 2022. The interest credit shall be offset against the additional credit for benefit compensation as specified in paragraph 1, i.e. the additional credit shall be reduced by the amount of the interest credit extrapolated up to the reference age 65/64 (65 for men, 64 for women) at a projected interest rate of 2.5%. Insured persons shall be credited with the interest credit as one-off deposits to their retirement assets.

IV. Transitional provisions for persons insured at 31 December 2015

1 For insured persons who were insured with PKL on 31 December 2015 and whose effective salary was reduced prior to 1 January 2016 as a result of restructuring, but whose insured salary was not reduced because the reduction in the insured salary would have been less than a quarter, the insured salary for the purpose of calculating insurance benefits and contributions shall be at least the value on 31 December 2015 unless the effective salary is reduced after the entry into force of these Regulations for reasons other than those specified in the last paragraph of Art. 18(2).

V. Transitional provisions for raising the reference age for women

1 The following provisions apply to women born up to 1963:

a) The conversion rate at the reference age is 5.00%.

b) When the reference age is reached, the level of the retirement pension is calculated, in accordance with Art. 26, by multiplying the accumulated retirement assets by the conversion rate under let. a of the transitional provisions.

c) Insured persons who take early retirement at their own request (VPM), the projected retirement pension at the reference age under let. b of the transitional provisions shall be reduced by 0.4% per month of the early withdrawal (by analogy with Art. 27, cl. 2). If the insured person has completed 26 or more years of service at the time of retirement, they will receive a credit (Appendix D, Table 3).

d) For insured persons who wish to receive an OASI bridging pension in addition to the reduced VPM retirement pension until they reach the reference age, the reduced retirement pension will be further reduced, irrespective of the years of service completed, by 0.5% per month of the early withdrawal of retirement benefits, applied to the amount of the OASI bridging pension (by analogy with Art. 27, cl. 3).

e) There is no notification deadline pursuant to Art. 27, cl. 7 for early retirement at your own request (VPM) if the effective retirement age is 64 or above.

f) Insured persons who take early retirement at the employer's request (VPF) are paid a retirement pension which, by analogy with Art. 28, corresponds to the projected retirement pension at the reference age under let. b of the transitional provisions.

g) Existing retirement pensions from early retirement at the request of the employer (VPF) will not be adjusted in terms of amount. The current bridging pension (Art. 28, cl. 3) financed by the employer is paid up to the reference age in accordance with these Regulations. The costs of an extension of the term of the benefits in accordance with Art. 28, cl. 2 and cl. 3 are borne by the employer.

h) Existing OASI bridging pensions paid out at the request of the insured person are not automatically extended due to an increase in the OASI reference age. At the request of the insured person, the duration of the bridging pension may be extended up to the current OASI reference age. The current retirement pension will be reduced for life by 0.5% per month of the extension, applied to the level of the OASI bridging pension.

i) Existing disability pensions shall be paid out up to the reference age in accordance with these Regulations and the savings component shall be continued up to that point.

VI. Transitional provisions for persons with extended coverage after the reference age

1 Insured persons who were insured with PKL on 31 December 2023 and had extended pension coverage after the reference age within the meaning of Art. 30, cl. 1 may notify in writing by 30 November 2024 whether they would like a non-contributory deferral of retirement benefits with participation from 1 January 2025. It is then no longer possible to change the variant (deferral of retirement benefits, continuation of employee benefits).

Appendix B

Table 1 Limits (Art. 18)

Maximum effective salary for savings: 8 x maximum OASI retirement pension
Maximum effective salary for risk: 10 x upper limit under the OPA

For a part-time insured person or a partially disabled insured person, the minimum and maximum salary shall be adjusted based on the degree of employment or the entitlement to a disability pension.

Limits (in CHF)	**at 01.01.2024**
Maximum OASI retirement pension	29,400
Upper limit under the OPA	88,200
Coordination deduction	25,725
Entry threshold	22,050
Maximum effective salary for savings	235,200
Maximum insured salary for savings	209,475
Maximum effective salary for risk	882,000
Maximum insured salary for risk	856,275

Table 2 Retirement Credits (Art. 22)

The retirement credits are as follows as a percentage of the insured salary for savings and depending on the plan option selected:

	as a % of the insured salary for savings		
Age	**Standard plan**	**Medium plan**	**Top plan**
18–24	0.00%	0.00%	0.00%
25–34	12.75%	14.75%	16.75%
35–44	14.75%	16.75%	18.75%
45–54	18.75%	20.75%	22.75%
55–65	24.75%	26.75%	28.75%
66–70	24.75%	26.75%	28.75%

The age of the insured person is the difference between the current calendar year and the year of birth.

Appendix B

Table 3 Contributions for Savings and Risk (Art. 20)

The contributions are as follows as a percentage of the insured salary for savings or the insured salary for risk and depending on the plan option selected:

Standard plan	**Contributions for savings as a % of insured salary for savings**		**Contributions for risk as a % of insured salary risk**	
Age	Employees	Employer	Employees	Employer
18–24	0.00%	0.00%	0.60%	0.90%
25–34	5.10%	7.65%	0.90%	1.35%
35–44	5.90%	8.85%	0.90%	1.35%
45–54	7.50%	11.25%	0.90%	1.35%
55–65	9.90%	14.85%	0.90%	1.35%
66–70	9.90%	14.85%	0.00%	0.00%

Medium plan	**Contributions for savings as a % of insured salary for savings**		**Contributions for risk as a % of insured salary risk**	
Age	Employees	Employer	Employees	Employer
18–24	0.00%	0.00%	0.60%	0.90%
25–34	7.10%	7.65%	0.90%	1.35%
35–44	7.90%	8.85%	0.90%	1.35%
45–54	9.50%	11.25%	0.90%	1.35%
55–65	11.90%	14.85%	0.90%	1.35%
66–70	11.90%	14.85%	0.00%	0.00%

Top plan	**Contributions for savings as a % of insured salary for savings**		**Contributions for risk as a % of insured salary risk**	
Age	Employees	Employer	Employees	Employer
18–24	0.00%	0.00%	0.60%	0.90%
25–34	9.10%	7.65%	0.90%	1.35%
35–44	9.90%	8.85%	0.90%	1.35%
45–54	11.50%	11.25%	0.90%	1.35%
55–65	13.90%	14.85%	0.90%	1.35%
66–70	13.90%	14.85%	0.00%	0.00%

The age of the insured person is the difference between the current calendar year and the year of birth.

Appendix C

Maximum buy-in (Art. 23)

The maximum buy-in amount for the insured person corresponds to the maximum amount specified in the table below less the existing retirement assets at the time of the buy-in. Any advance withdrawal intended for home ownership or withdrawal due to divorce shall be taken into account. Voluntary buy-ins are only possible after all withdrawals intended for home ownership have been repaid.

Deposits may be made during the year and shall bear interest from the date of payment. The date of the deposit shall be controlling for the purposes of tax deductibility in the assessment year. Benefits resulting from buy-ins may not be drawn in the form of a lump sum for the next three years.

The insured person is responsible for tax deductibility.

(included interest rate: 2%)

Age	Maximum retirement assets as a % of insured salary for savings	Age	Maximum retirement assets as a % of insured salary for savings
24	0.00%	45	460.23%
25	16.75%	46	492.18%
26	33.84%	47	524.77%
27	51.27%	48	558.02%
28	69.05%	49	591.93%
29	87.18%	50	626.52%
30	105.67%	51	661.80%
31	124.53%	52	697.79%
32	143.77%	53	734.50%
33	163.40%	54	771.94%
34	183.42%	55	816.13%
35	205.84%	56	861.20%
36	228.71%	57	907.17%
37	252.03%	58	954.06%
38	275.82%	59	1001.89%
39	300.09%	60	1050.68%
40	324.84%	61	1100.44%
41	350.09%	62	1151.20%
42	375.84%	63	1202.97%
43	402.11%	64	1255.78%
44	428.90%	65	1309.65%

The age of the insured person shall be calculated in years and whole months, without taking account of the time from birth to the first day of the following month. Intermediate values shall be calculated for fractional ages.

Appendix D

Table 1 Conversion Rates for Retirement at and after the Reference Age (Arts. 26, 30)

The annual amount of the retirement pension shall be equivalent to the retirement assets available at the start of drawing the pension, multiplied by the conversion rate corresponding to the age of the
the insured person (calculated in years and months) on that date:

Age	Conversion rate
65	**5.00%**
66	5.10%
67	5.25%
68	5.45%
69	5.65%
70	5.85%

Intermediate figures shall be interpolated on a linear basis to the nearest month. The actual age is used.

Example

65-year-old person

Existing retirement assets	= CHF 500,000
Conversion rate at age 65	= 5.00%
Annual retirement pension = CHF 500,000 x 5.00%	= CHF 25,000

Appendix D

Table 2 Reduction of Retirement Pensions in the Event of Early Retirement (Art. 27)

Age at early retirement in years and months M / F	**Overall reduction** of retirement pension **as a %**	**Reduction** of retirement pension **as a %** of OASI bridging pension	**Age** at early retirement in years and months M / F	**Overall reduction** of retirement pension **as a %**	**Reduction** of retirement pension **as %** of OASI bridging pension
60	**27.6%**	**30.0%**	**62**	**15.6%**	**18.0%**
1	27.1%	29.5%	1	15.1%	17.5%
2	26.6%	29.0%	2	14.6%	17.0%
3	26.1%	28.5%	3	14.1%	16.5%
4	25.6%	28.0%	4	13.6%	16.0%
5	25.1%	27.5%	5	13.1%	15.5%
6	24.6%	27.0%	6	12.6%	15.0%
7	24.1%	26.5%	7	12.1%	14.5%
8	23.6%	26.0%	8	11.6%	14.0%
9	23.1%	25.5%	9	11.1%	13.5%
10	22.6%	25.0%	10	10.6%	13.0%
11	22.1%	24.5%	11	10.1%	12.5%
61	**21.6%**	**24.0%**	**63**	**9.6%**	**12.0%**
1	21.1%	23.5%	1	9.2%	11.5%
2	20.6%	23.0%	2	8.8%	11.0%
3	20.1%	22.5%	3	8.4%	10.5%
4	19.6%	22.0%	4	8.0%	10.0%
5	19.1%	21.5%	5	7.6%	9.5%
6	18.6%	21.0%	6	7.2%	9.0%
7	18.1%	20.5%	7	6.8%	8.5%
8	17.6%	20.0%	8	6.4%	8.0%
9	17.1%	19.5%	9	6.0%	7.5%
10	16.6%	19.0%	10	5.6%	7.0%
11	16.1%	18.5%	11	5.2%	6.5%
			64	**4.8%**	**6.0%**
			1	4.4%	5.5%
			2	4.0%	5.0%
			3	3.6%	4.5%
			4	3.2%	4.0%
			5	2.8%	3.5%
			6	2.4%	3.0%
			7	2.0%	2.5%
			8	1.6%	2.0%
			9	1.2%	1.5%
			10	0.8%	1.0%
			11	0.4%	0.5%
			65	**0.0%**	**0.0%**

The retirement pension upon reaching the reference age based on the credit specified in Appendix A, Sections I to III, must also be taken into account.

Appendix D

Table 3 Credit for Years of Service (Art. 27(2))

Full years of service completed at the time of early retirement	Credit as a % of the insured retirement pension
26	0.5%
27	1.0%
28	1.5%
29	2.0%
30	2.5%
31	3.0%
32	3.5%
33	4.0%
34	4.5%
35 and over	5.0%

However, under no circumstances may the credit exceed the pension reduction specified in Table 2 of Appendix D.

The retirement pension upon reaching the reference age based on the credit specified in Appendix A, Sections I to III, must also be taken into account.

Appendix D

Table 4 Conversion Rates in the Event of Early Retirement, in the Event of Non-Compliance with Deadlines (Art. 27 (7))

The annual amount of the retirement pension shall be equivalent to the retirement assets available at the start of drawing the pension, multiplied by the conversion rate corresponding to the age of
the insured person (calculated in years and months) on that date:

Age	Conversion rate
60	4.25%
61	4.40%
62	4.50%
63	4.65%
64	4.80%
65	5.00%

Intermediate figures shall be interpolated on a linear basis to the nearest month. The actual age is used.

Example

63-year-old person

Existing retirement assets	=	CHF	400,000
Conversion rate at age 63	=		4.65%
Annual retirement pension = CHF 400,000 x 4.65%	=	CHF	18,600