

# Pension Fund of SR Technics Switzerland

## Implementation regulations governing “external membership”, Art. 10 para. 1 of the Pension Regulations

These implementation regulations set out the conditions applicable to external membership and the points governed by the agreement between the Pension Fund (PF) and the external insured person.

### 1. Conditions for remaining in the Pension Fund as an external insured person

If an insured person's employment ends or is suspended, insurance may continue with the approval of the PF if the following conditions are met:

- The insured person is employed by a group company, or
- The person's employment is discontinued involuntarily, the person is aged 55 or above, the person has no new employer and the person is not subject to mandatory insurance (these conditions apply cumulatively).

The insured person must submit a respective application to the PF. The PF may not discriminate against any applicants.

The insured person is responsible for compliance with all national and international provisions (e.g. bilateral agreements) relating to insurance options in the pension fund context.

### 2. Benefits

The insurance may be continued on a contributory or non-contributory basis. For the duration of the insurance, insured persons may change only once from the contributory to the non-contributory scheme.

#### Non-contributory membership

The savings capital accrued upon termination or suspension of the insured person's employment is subject to the interest rate set out in the Pension Regulations. Upon retirement, the capital can be drawn as a lump sum or as a pension.

In the case of disability, no disability benefits are payable. Non-contributory membership can continue.

In the event of death, the savings capital accrued at this point is disbursed to the beneficiaries in accordance with Art. 45 of the PF Pension Regulations. No further lump-sum death benefits shall be disbursed.

#### Contributory membership

The annual salary insured upon termination or suspension of the insured person's employment continues to apply and cannot be increased at any point. The relevant salary is limited to CHF 250,000. In the case of higher salaries, the vested benefit is broken down in proportion to the insured salary (previously, now). The share relating to the salary component in excess of the limit is transferred to a vested benefit institution.

Principally, insured persons remain in the previous plan unless they opt for a plan with lower savings contributions. The plan must be chosen upon conclusion of the external insurance contract. For the duration of the external insurance, insured persons can only change to a plan with lower savings contributions.

Continued insurance may not be limited to the risk benefits.

Voluntary purchases during external insurance are admissible to the extent that the retirement pension extrapolated at the time of leaving the employment is reached at the statutory retirement age.

Insured persons shall contact the responsible tax authority to enquire whether the relevant contributions are tax-deductible.

### **3. Contributions (contributory membership)**

For the duration of the external insurance, the employer pays no contributions.

The insured person is responsible for paying the full savings and risk contributions (both employer and employee contributions) to the PF. The contributions are payable at the end of each month by direct debit from a Swiss bank or Swiss Post account.

If the PF is underfunded and restructuring contributions are charged, external insured persons are liable to pay such contributions. External insured persons are obliged to pay the employee's restructuring contributions.

Default in payment for two months after the due date of the contribution results in the termination of the insurance. A vested benefit is then due which is transferred to a vested benefit institution.

### **4. Duration of external insurance**

External insurance ends upon entry into new employment that is subject to the BVG, or upon termination of employment with a group company.

Insured persons may remain insured as external members (either on a contributory or non-contributory basis) until they reach the statutory retirement age (65). At the latest, it ends at the statutory retirement age (65). In the case of continued employment after the statutory retirement age has been reached, insurance can be continued for active insured persons until termination of employment, however, no later than until age 70. Insured persons should note that the Swiss tax authorities allow deductions of contributions for a maximum 2-year period only.

Following a 90-day notice period, insured persons may, at any time, request their vested benefit to be transferred to a vested benefit institution at the end of the month.

Once they have left the external insurance scheme, departed members may not re-join.

### **5. Early retirement age**

If an insured person reaches the early retirement age during the term of the insurance, the person may request reduced pension benefits.

### **6. Benefits in the case of incapacity for work (contributory membership)**

Persons not insured in the context of the Swiss Federal Disability Insurance (IV) will not receive any disability benefits pursuant to Art. 31 et seq. of the Pension Regulations unless the independent medical examiner determined by the Pension Fund provides a certificate confirming a disability degree of a minimum 40% as defined by the IV.

### **7. Duty to report**

Insured persons must notify the PF without delay if they are insured under the BVG with a different pension fund or if they terminate their employment with a group company. The PF then transfers the vested benefit to the new pension fund or to the vested benefit institution specified by the insured person.

Should the vested benefit be payable due to a default in payments, the insured person must notify the PF of the vested benefit institution to which the benefit shall be transferred. In the absence of such notification, the PF shall transfer the vested benefit to the Auffangeinrichtung.

## **8. Communication**

Information regarding the Pension Fund, new Pension Regulations and similar is published exclusively on the Internet ([www.pk-srtechnics.ch](http://www.pk-srtechnics.ch)). Individual correspondence and the pension certificate are mailed to the insured person's specified address.

## **9. PF Pension Regulations**

In all other respects, the provisions of the currently applicable PF Pension Regulations apply.

The original German text is legally binding.