Pension Fund Regulations

Pensionskasse der Alcatel-Lucent Schweiz AG

Effective from 01.01.2010

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General

Art. 1 Name and legal form

1. The "Pensionskasse der Alcatel-Lucent Schweiz AG" (hereafter: the "Fund") is a foundation, within the meaning of Article 80 et seq. of the Swiss Civil Code, established in Zurich.

2. The Fund is described in the Foundation Charter of 7 March 2007 and in these Regulations, adopted in accordance with Article 3 of that Charter.

3. Unless expressly stated otherwise, references to the masculine gender include the feminine gender.

Art. 2 Purpose

1. The purpose of the Fund is to protect the employees of Alcatel-Lucent Schweiz AG (hereafter: the "Employer") against the economic consequences of retirement, disability and death, by insuring benefits in accordance with the terms of these Regulations.

2. In agreement with the Employer, the Fund may insure the employees of companies having close economic or financial ties with the Employer; in that case, the rights and obligations of the contracting partners will be regulated in an agreement.

3. The pension plan adopted by the Fund is a “defined contribution plan”, within the meaning of Article 15 of the Federal Law on Vesting in Occupational Retirement, Survivors’ and Disability Pension Plans of 17 December 1993.

Art. 3 Relationship with the LPP/BVG

1. The Fund is a pension plan providing compulsory insurance in accordance with the Federal Law on Occupational Retirement, Survivors', and Disability Pension Plans of 25 June 1982 (hereafter: LPP/BVG).

2. The Fund is registered with the Regulatory Authority of the Canton of Zurich, in the Register of Occupational Pension Plans, in accordance with Article 48 LPP/BVG. Under the terms of this registration, the Fund must satisfy at least the minimum requirements of the LPP/BVG.

Art. 4 Registered civil partnership

1. Persons living in a registered partnership within the meaning of the Federal Law on Civil Partnerships between Persons of the Same Sex are treated on an equal footing with married couples.

Fund Membership

Art. 5 General principles

1. Membership of the Fund is compulsory for all the Employer's employees. Excepted are:

   a. employees hired for a limited period of 3 months or less;

   b. employees whose annual salary defined in accordance with Article 17 does not exceed the minimum salary under Article 2 LPP/BVG (threshold level). For part-time employees, the threshold level is adjusted in relation to the degree of employment;

   c. employees who have other gainful employment, provided however that they are already subject to compulsory insurance for their principal employment, or that their principal employment is in a self-employed capacity;

   d. employees who are at least 70 % disabled, as defined by the AI/IV.

Art. 6 Start

1. Membership of the Pension Fund begins on the first day of employment, but not before 1 January of the year following the employee's 17th birthday.

2. Employees hired for less than 3 months whose employment is extended beyond the 3-month period are insured from the time the extension is agreed.

3. Employees whose annual salary, in accordance with Article 17, at the start of employment is equal to or less than the threshold level referred to in Article 5 shall join the Fund on the first day of the month in which their salary exceeds the threshold level.

Art. 7 Effects

1. Employees are insured from the moment they join the Fund.

2. Up to 31 December following or coinciding with the employee's 24th birthday, insurance coverage is confined to death and disability benefits (hereafter: "risk insurance"). From 1 January following the employee's 24th birthday, coverage is extended to include retirement benefits (hereafter: “full insurance”).

3. New members aged 24 or over who join the Fund after 1 January may purchase full or partial coverage for the period between 1 January and the date of joining in accordance with Article 20 of these Regulations.

Art. 8 Information to be provided on joining

1. At the start of his employment, an employee must provide the Fund with all material information concerning his personal pension situation, including:

   a. The name and address of his former employer and, if applicable, the name and address of the vested benefits institution holding pension assets for his account, and the form of those assets;

   b. the vested termination benefit to be transferred for the employee's account; his minimum LPP/BVG retirement savings capital, and, if he is over the age of 50, the vested termination benefit accrued at age 50, subject to paragraph 2;

   c. if he is married, the vested termination benefit to which he would have been entitled at the time of marriage, subject to paragraph 2;

   d. any amount that may have been withdrawn from the pension plan of a previous employer in connection with the encouragement of home ownership and which was not fully repaid at the time the employment ended, details of the applicable residential property, and the date the withdrawal was obtained;

   e. any pledge that may have been made in connection with the encouragement of home ownership, details of the applicable residential property, and the name of the mortgagee.

2. Employees over 50 at 1 January 1995, who are unable to inform the Fund of the amount of their vested benefits accrued at age 50, and employees married at 1 January 1995 who are unable to inform the Fund of the amount of their vested benefits accrued at the date of their marriage, shall notify the Fund of the first known vested termination benefit after 1 January 1995, indicating the date on which it was calculated.

Art. 9 Termination

1. Membership in the Fund ceases upon termination of employment for any reason other than disability or retirement.

2. The employee remains insured with the Fund for death and disability risks for one month following termination of his membership in the Fund, but not beyond the day he joins a new pension plan; the benefits are those insured on the last day of employment.

3. If, pursuant to paragraph 2, the Fund must pay benefits after it has transferred the vested termination payment, it shall claim restitution of that portion of the vested termination benefit required to cover payment of the survivor or disability pensions. If restitution is not made, the survivor and disability benefits shall be reduced.

Administration of the Fund

Art. 10 Pension Board

1. The Fund is managed by a Pension Board formed in accordance with Article 8 of the Foundation Charter.

2. The Pension Board has 6 Members, namely:

   a. 3 representatives appointed by the Employer;

   b. 3 employee representatives elected by the Fund's active members from among their circle;

   as well as an additional pensioner representative. The latter is appointed from the circle of pensioners by the Pension Board in consultation with the pensioners' representatives. The pensioners' representative has no vote.

Art. 11 Elections, duties, powers, convening, and resolutions of the Pension Board

1. The duties of the Pension Board, its election procedure, powers, convening and decision-making rules and its members' terms of office are laid down in the Fund's Charter and rules of procedure.

2. The Fund guarantees the initial and ongoing training of Pension Board members, ensuring that they can fully assume their management duties.

Art. 12 Auditors

1. Each year, the auditors appointed by the Pension Board shall verify that the financial statements and retirement accounts comply with the law, ordinances, guidelines and regulations (legality).

2. They shall also examine the legality of the Fund's governance each year, particularly with respect to the collection of contributions and payment of benefits, as well as the legality of asset investment.

Art. 13 Accredited pension actuary

1. The accredited pension actuary appointed by the Board shall periodically verify that:

   a. the Fund offers the assurance of meeting its obligations;

   b. the actuarial provisions concerning benefits and financing comply with legal requirements;

   c. the security measures adopted by the Fund are adequate.

Art. 14 Liability, confidentiality

1. All persons responsible for the administration, management, or auditing of the Fund shall be liable for damages caused by them deliberately or by negligence.

2. The persons referred to in paragraph 1 shall maintain strict confidentiality regarding all confidential facts and information concerning the Fund, the Employer or the members which may come to their knowledge in the exercise of their duties. This secrecy obligation shall survive the termination of their duties.

3. The Employer shall be liable for any loss or damage suffered by the Fund as a result of its failure to provide it with material information (in particular: new members, salaries, salary changes, termination of employment, etc.).

Art. 15 Information to members15

1. The Pension Fund issues an insurance certificate to each member when he joins the Fund, when there is a change in his insurance coverage, when he marries and in any event at least once a year.

2. The insurance certificate contains information about the member's individual insurance conditions, and about the following in particular: insured benefits, contributory salary, contributions, and vested termination benefits. In case of discrepancy between the insurance certificate and these Regulations, the Regulations take precedence.

3. The Fund shall also inform each member in an appropriate manner, at least once a year, about the Fund's organisation and financing, and the composition of the Pension Board.

4. The Fund shall send participants a copy of the annual report and financial statements and inform them about the return on capital, actuarial risk trends, administration costs, principles for calculating the mathematical reserves, supplemental provisions and funded status.

5. The Pension Board can, of its own initiative or at the request of at least one third of the members of each company, convene assemblies of members in each company. These assemblies, which shall be chaired by the Chairman of the Pension Board, can debate all the issues referred to them by the Pension Board. They may submit requests in all pension fund matters. They have no decision-making powers.

Art. 16 Normal retirement age

1. The normal retirement age is the normal AVS/AHV retirement age.

Art. 17 Reference salary

1. The annual salary is the reference salary for calculating the contributory salary.

2 On joining the Fund, the reference salary is equal to the monthly salary at the time of joining annualised in accordance with the remuneration agreement concluded between the Employer and the employee.

3. The Fund shall take into account the changes in salary communicated to it from time to time by the Employer.

4. The Pension Board, in agreement with the Employer, shall decide which salary components shall enter into account in calculating the reference salary.

Art. 18 Contributory Salary

1. The contributory salary is equal to the reference salary under Article 17 less a coordination amount set by the Pension Board and presented in Annexe A of these Regulations.

2. For part-time employees, the coordination amount is adjusted to the degree of employment.

3. The contributory salary may not be reduced as a result of an increase in the coordination amount.

4. If the actual salary earned by an employee is temporarily reduced as a result of illness, accident, unemployment, maternity, or other similar causes, the contributory salary shall be maintained at least for the period during which the Employer is legally obligated to pay the salary under Article 324*a* of the Swiss Code of Obligations or for the duration of the maternity leave under Article 329*f* of the Swiss Code of Obligations, provided however that the member does not request a reduction.

5. On no account shall the reference salary include any remuneration for work performed for third parties.

6. The contributory salary is at least equal to the minimum coordinated salary stipulated in Article 8(2) LPP/BVG and may not exceed ten times the maximum limit stipulated in Article 8(1) LPP/BVG.

7. If the employee is a member of several pension plans, and if the sum of all his AVS/AHV pensionable salaries and income is more than ten times the maximum limit under Article 8(1) LPP/BVG, the member is required to notify the Fund of all his pension plan coverage, indicating the salaries and income accordingly insured.

Art. 19 Retirement savings capital

1. The benefits insured by the Fund depend on the retirement savings capital built up for each member from 1 January after his 24th birthday.

2. The following amounts are credited to the retirement savings capital account:

   a. the member's and the Employer's retirement benefit contributions in accordance with Articles 23 and 24, as follows:

Age	**Retirement benefit contribution in % contributory salary depending on the chosen contribution variant (Article 23)**		
	Minus	Standard	Plus
25 to 44	12.50 %	14.50 %	16.50 %
45 to 65 (men) or 64 (women)	14.50 %	14.50 %	16.50 %
from 65 (men) or 64 (women) to 70	-	14.50 % *	-

* If the affiliated company decides to continue financing retirement benefits.

   These contributions earn interest from 1 January following their transfer to the Fund;

   b. any amounts for the purchase of benefits in accordance with Articles 20 and 21, which earn interest from the date they are received by the Fund;

   c. any direct allocations decided by the Pension Board, which earn interest from the date of allocation.

3. If a member is recognised as disabled, his retirement savings capital will continue to be incremented according to the Standard contribution variant for as long as he is disabled and in accordance with the degree of disability set by the AI/IV. The reference salary is the annual salary at the beginning of the incapacity for work, the cause of which led to the disability; the Fund shall bear the costs.

Art. 20 Purchase of pension benefits

1. On joining the Fund, new members holding vested termination benefits with their former employer's pension fund or pension assets with a vested benefits institution shall request the transfer of those assets to the Fund. The Fund may demand the transfer of vested termination benefits held by the member's former pension plan and pension assets held with any form of benefits institution on behalf of the member.

2. Vested termination benefits thus transferred shall be credited to the member's retirement savings account in accordance with Article 19 and shall be used for the purchase of benefits.

3. Until he reaches the maximum retirement savings capital set out in Annexe C, a member may purchase benefits at his own expense, by means of a cash payment, at any time prior to the normal retirement age. In the event of a divorce, the amount transferred to the Fund pursuant to the divorce decree will be used for purchasing benefits. In both cases, the member's contributory salary, his age and his accrued retirement savings capital at the time of the purchase will be taken into account in calculating the purchase limit.

4. Persons moving to Switzerland from abroad who have never been members of a pension plan in Switzerland may not, in the first five years of membership of a Swiss pension plan, exceed an annual purchase limit equal to 20 % of their pensionable salaries. The period of coverage elapsed with an earlier pension plan shall be taken into account in calculating the five year time limit.

5. The maximum purchase amount shall be reduced by:

   a. any vested termination benefits which the member was not required to transfer to a pension plan;

   b. any 3a pillar pension assets exceeding the maximum tax-deductible contribution, with interest, for the age-class of the year following the member's 24th birthday.

6. No voluntary purchases may be made as long as withdrawals in connection with the encouragement of home ownership are outstanding. Notwithstanding, members aged 62 (men) and over, respectively 61 (women) and over, may make voluntary purchases provided that, together with outstanding withdrawals, such purchases do not exceed the regulatory maximum admissible benefit entitlements.

7. The benefits deriving from purchases may not be withdrawn in the form of lump-sum capital in the following three years.

8. The restrictions laid down in the first sentence of paragraph 6 and in paragraph 7 above do not apply to repurchases in case of divorce.

9. Before the purchase, the member shall submit to the Fund a written certificate concerning paragraphs 6 and 7, together with any necessary supporting documents.

Art. 21 Prefinancing of reductions for early retirement

1. To prefinance reductions in benefits in case of early retirement in accordance with Article 33, a member may make additional purchases. These purchases will be credited to a supplemental account.

   Purchases are only possible if the member:

   a. is insured with the Fund after 1 January following his 24th birthday;

   b. has transferred all his vested termination benefits to the Fund;

   c. is insured with the Fund for the maximum retirement benefits.

2. Purchases are only possible as long as the member's supplemental account does not exceed the discounted value of the reduction in pension benefits at the earliest possible regulatory retirement date.

3. After their 58th birthday, members may only make purchases if the early retirement account falls short of compensating the reduction in benefits in case of immediate early retirement.

   The reduction in benefits encompasses:

   a. the difference between the retirement pension at the normal retirement age and the retirement pension at age 58; the retirement pension is calculated at the time of the planned early retirement;

   b. the reduction following the purchase of the bridge pension in accordance with Article 37 et seq.

4. The Fund shall inform the member of the maximum purchase limit at his request.

5. If, after having compensated the reduction for early retirement, a member decides to remain in the Fund beyond the purchased early retirement age, the member's and the employer's retirement benefit contributions pursuant to Articles 23 and 24 are no longer due.

6. In any event, the regulatory target benefit may not be exceeded by more than 5 %. Lump-sum benefits shall be converted into actuarially equivalent pension benefits. Any remaining balance shall vest in the Fund

Art. 22 Reduction in benefits

1. If Article 67(1) is applied following a divorce, the retirement savings capital and LPP/BVG retirement savings capital will be reduced and the member's individual purchase and contribution accounts will be adjusted. Article 67(2) regulates the amount and effects of the reduction and the terms and conditions of full or partial repurchase.

2. If a member makes a withdrawal in connection with the measures encouraging home ownership, his retirement savings capital and LPP/BVG retirement savings capital will also be reduced and his individual purchase and contribution accounts will be adjusted. Article 75 regulates the amount and effects of the reduction and the terms and conditions of full or partial repurchase.

3. For the transfer of vested termination benefits in accordance with paragraphs 1 and 2 of this article, the supplemental account, if any, within the meaning of Article 21, will first be used.

Art. 23 Members' contributions

1. Each member must pay contributions from the time he joins the Fund and for as long as he is employed by the Employer, until he is recognised as disabled or attains normal retirement age, subject to paragraph 2(b) of this Article.

2. The member's annual contribution is:

   a. up to 31 December following or coinciding with his 24th birthday:

      1.00 % of the contributory salary for risk insurance;

   b. from 1 January following his 24th birthday:

      1.75 % of the contributory salary for risk insurance (until age 65 for men and age 64 for women), and

      for retirement insurance, depending on the chosen contribution variant:

Age	**Retirement benefit contribution in % contributory salary depending on the chosen contribution variant**		
	Minus	Standard	Plus
25 to 44	4.25 %	6.25 %	8.25 %
45 to 65 (men) or 64 (women)	6.25 %	6.25 %	8.25 %
from 65 (men) or 64 (women) to 70	-	6.25 % *	-

* If the affiliated company decides to continue financing retirement benefits.

3. Members may change their contribution variant (Standard Minus, Standard, Standard Plus) every year, effective from 1 January of the following year. The notification must be received by the Fund before the end of November. If a member does not avail himself of the right to change variants, he shall continue to be insured in the existing variant. After reaching normal retirement age, members may only be insured in the standard variant.

4. New members will be insured in the standard variant unless they choose another contribution option.

5. The Employer shall deduct the member's contribution from his salary on behalf of the Fund.

Financing

Art. 24 Employer's contribution

1. The Employer shall pay contributions as long as the member has to pay contributions.

2. The Employer's annual contribution is:

   a. up to 31 December following or coinciding with the member's 24^{th} birthday

      1.00 % of the contributory salary for risk insurance;

   b. from 1 January following the member's 24^{th} birthday:

      10.00 % of his contributory salary, i.e.

      1.75 % of the contributory salary for risk insurance (until age 65 for men and age 64 for women);

      8.25 % of the contributory salary for retirement insurance.

Art. 25 Insured benefits

1. The Fund, subject to the following terms and conditions, shall insure benefits in the form of:
   a. retirement pensions;
   b. temporary supplemental retirement pensions (bridge pensions);
   c. disability pensions;
   d. contributions waivers;
   e. surviving spouse’s pensions (spouse’s pension);
   f. partner’s pensions;
   g. children’s pensions;
   h. death grants;
   i. lump-sum death benefits, provided no surviving spouse’s or partner’s pension is due;
   j. vested termination benefits;
   k. divorce-related benefits.
2. In addition, pension assets with the Fund may be used for the encouragement of home ownership, within the meaning of the Law of 17 December 1993.

Art. 26 Payment of benefits

1. Fund benefits are payable as follows:
   a. pensions: monthly;
   b. lump-sum benefits: within 30 days of falling due, but not before the beneficiaries have been identified with certainty;
   c. vested termination benefits: when employment terminates.
2. Default interest is payable:
   a. in case of pension payments, from the date of filing the debt collection proceedings or the institution of legal proceedings. The default interest rate is the minimum LPP/BVG rate;
   b. in case of a lump-sum payment, from the due date. The default interest rate is the minimum LPP/BVG rate.
   c. in case of payment of the vested termination benefit, 30 days from receipt of all material information, but at the earliest 30 days after the member leaves the Fund. The default interest rate is the minimum LPP/BVG rate plus one percent.
3. Fund benefits are payable at the Fund's registered office. They are basically payable in Switzerland, to a bank or postal account at the address provided by the beneficiary. The Fund administration may allow exceptions to this rule, at the beneficiaries’ cost and risk. Restrictions imposed by international conventions are reserved.

4. The Fund shall be given access to all documents substantiating the claim to benefits: should the beneficiary not satisfy this obligation, the Fund shall be entitled to defer payment of benefits.

5. Benefits that are improperly received must be repaid subject to Article 32. The Fund may waive repayment if the beneficiary was in good faith and repayment would cause great hardship.

6. Where the Fund, as the last known pension plan, has a temporary obligation to advance benefits, the entitlement is limited to the minimum LPP/BVG requirements. If it is later established that the Fund is not responsible for payment of benefits, it shall reclaim the benefits it advanced.

7. Where the Fund has an obligation to pay benefits to a member suffering from a congenital disease or who became disabled before reaching majority, and who was insured with the Fund on the date of the increase in his earning incapacity, the entitlement is limited to the minimum LPP/BVG benefits.

Art. 27 Excess benefits in case of disability and death

1. If the benefits payable by the Fund to a disabled member, or to the survivors of a deceased member, combined with the third-party benefits referred to in paragraph 2 exceed 100 % of the gross annual salary that the member would have earned if he had continued working, plus any family allowances, the Pension Board shall be entitled to reduce Fund benefits commensurately.

2. The third-party benefits entering into account are:

   a. benefits from the Federal Old-age and Survivors' Insurance and the Federal Disability Insurance (AVS/AHV and AI/IV benefits);

   b. benefits payable under the Federal Law on Accident Insurance;

   c. benefits paid by the Federal Military Insurance;

   d. benefits from any insurance institution or pension fund wholly or partly financed by the Employer;

   e. any salary paid by the Employer or remuneration of a similar nature;

   f. income earned by a partially or totally disabled person or that which he could still earn for work that could reasonably be required of him.

3. Notwithstanding paragraph 2, disability allowances and personal injury indemnities are not taken into account. Benefits payable to the surviving spouse and orphans are cumulative.

4. If accident insurance or military insurance benefits are reduced or denied on the grounds that the insured event was caused through the gross negligence of the beneficiary, the full insured benefits are taken into account for the purposes of determining the amount of excess benefits.

5. For the purposes of calculating excess benefits, lump-sum benefits paid by the third-parties referred to in paragraph 2 are converted into pensions in accordance with the Fund's actuarial tables.

6. If the accident insurance or military insurance continues to pay a disability pension beyond the date of normal retirement, the retirement pension payable by the Fund after that date is treated as a disability pension for the purposes of this Article.

7. If the Fund's benefits are reduced, they are all reduced in the same proportion.

8. The reduction shall be reviewed when there is a material change in circumstances.

9. Any portion of the insured benefits that is not paid out shall vest with the Fund.

Art. 28 Claims against a liable third party

1. The Fund may require the disabled member or the survivors of a deceased member to assign their claims against third parties liable for the death or disability, up to the amount of the benefits payable by the Fund.

2. The Fund may defer benefits until the assignment referred to in paragraph 1 is made.

Art. 29 Liability of the beneficiary

1. If the AVS/AI//AHV/IV reduces, withdraws, or denies benefits on the grounds that the death or disability of a member was caused through the gross negligence of the beneficiary, or if the member refuses rehabilitation measures imposed by the AI/IV, the Pension Board may reduce Fund benefits. The reduction may not, however, go beyond the measures imposed by the AVS/AI//AHV/IV.

Art. 30 Assignment, pledge and set off

1. Claims to benefits may not be assigned or pledged before they are due. Notwithstanding, the provisions of these Regulations on the pledge of pension assets in the context of the encouragement of home ownership (Article 76) remain reserved.

2. Entitlement to Fund benefits may only be set off against claims assigned to the Fund by the Employer if such claims relate to contributions not deducted from the salary.

3. Legal transactions conflicting with paragraphs 1 and 2 are null and void.

Art. 31 Cost of living adjustment

1. Within the limits of the Fund's financial capabilities, survivors' and disability pensions as well as retirement pensions will be adjusted for changes in the cost of living. Each year, the Pension Board shall decide whether and to what extent pensions should be adjusted taking into account the financial capabilities of the Fund. It shall publish its decision and reasons in the financial statements or the annual report.

2. The minimum provisions of the LPP/BVG remain applicable.

Art. 32 Statute of Limitations

1. Articles 35a(2) and 41 LPP/BVG on the statute of limitations shall apply.

Fund benefits – Retirement pensions

Art. 33 Pension entitlement

1. Entitlement to a retirement pension begins at the normal retirement age under Article 16 and terminates at the end of the month in which the beneficiary dies.

2. An active member whose employment terminates between his 58th birthday and the date of normal retirement is entitled to an early retirement pension, unless he requests that his vested termination benefits be transferred to the pension plan of a new employer or to a vested benefits institution.

3. In case of corporate restructurings, the Pension Board may set an earlier retirement age than that indicated in paragraph 2.

4. If a member continues to be gainfully employed with the company after reaching normal retirement age, he may postpone his retirement pension until he gives up gainful employment or until his 70th birthday at the latest. In that case, his retirement savings capital will continue to earn interest (Article 19(2)). If the affiliated company decides to continue financing retirement benefits, contributions shall be payable in accordance with Articles 23 and 24. The retirement pension shall be calculated in accordance with Article 34(1).

   If the member dies during the period of postponement, the Fund shall pay the survivor benefits that would have been insured at the beginning of the month of the member's death had the member taken his retirement immediately before that point in time.

Art. 34 Pension amount

1. The annual retirement pension corresponds to the available retirement savings capital at the start of the pension in accordance with Article 19, multiplied by the conversion rate in Annexe A.

2. Pension reductions for early retirement may be fully or partially prefinanced (Article 21).

Art. 35 Partial retirement

1. An active member aged at least 58 may apply to receive a partial retirement pension if his degree of employment is reduced by at least 30 %. The residual degree of employment must be at least 30 %. The degree of retirement corresponds to the ratio between the reduction in degree of employment and the unreduced degree of employment.

2. In case of partial retirement, the member's retirement savings capital will be split into two parts depending on the degree of retirement:

   a. for the part corresponding to the degree of retirement, the member is considered a pensioner;

   b. for the other part, the member is considered an active member; in this case, the threshold level and the coordination amount are adjusted in accordance with the degree of retirement.

3. At each subsequent reduction of at least 30 % in the degree of employment, the member may apply to receive a further partial retirement pension.

Art. 36 Lump-sum payment

1. Subject to twelve months' notice, a member may apply to have his retirement pension and the corresponding benefits fully or partially paid out to him in the form of a lump-sum payment. In case of partial retirement, no more than two lump-sum payments are possible.

2. If the annual pension payable by the Fund is less than 10 % of the minimum AVS/AHV retirement pension, the Fund may pay the member a lump-sum settlement instead of the insured benefits.

3. For a married member, a lump-sum payment in accordance with paragraph 1 may only be made with the written consent of the spouse.

4. The lump sum is paid at the start of the retirement pension payments.

5. The lump sum is equal to the share of the retirement savings capital corresponding to the portion of the retirement pension that was converted into a lump-sum settlement.

6. Full or partial payment of the retirement savings capital extinguishes any entitlement to further Fund benefits in respect of the converted portion of the retirement pension.

7. A lump-sum payment in accordance with paragraph 1 is not permitted if the retirement pension immediately succeeds a disability pension in accordance with Article 41(3).

8. Article 20(7) is reserved.

Art. 37 Pension entitlement

1. A member drawing an early retirement pension may at any time apply to receive a bridge pension.

2. A bridge pension is an advance paid by the Fund for a period defined by the member, but which shall not extend beyond the date on which the member becomes entitled to an ordinary AVS/AHV retirement pension or the end of the month of the member's death. This advance is offset by an immediate, lifelong reduction in the early retirement pension under Article 33(2).

Art. 38 Pension amount

1. The amount of the annual bridge pension is set by the member in agreement with the Fund. However, it may not exceed the expected AVS/AHV retirement pension, i.e. the retirement pension calculated in accordance with AVS/AHV criteria on the basis of the member's last salary. Moreover, payment of a bridge pension may not have the effect of reducing the early retirement pension under Article 33(2) by more than 50 %.

Art. 39 Compensatory reduction

1. The amount of the compensatory reduction in early retirement pension pursuant to Article 34 shall be calculated in accordance with the rates in Annexe B.

2. The member may fully or partially prefinance the reduction referred to in paragraph 1 as provided in Article 21.

3. In the event of the death of a member receiving a bridge pension, any benefits payable to his survivors are computed on the basis of Article 34 and the early retirement pension reduced in accordance with paragraph 1. The capital value of the undrawn bridge pension will be paid to the spouse entitled to a pension in accordance with Article 47, to the partner in accordance with Article 51 or to the beneficiaries entitled to a lump-sum death benefit in accordance with Article 64.

Fund benefits – Disability pension

Art. 40 Recognition of disability

1. A member who is found to be disabled by the Federal Disability Insurance will be deemed to be disabled by the Fund from the same date and to the same degree, provided however that he was insured with the Fund at the onset of the incapacity to work, the cause of which led to his disability.

2. The AI/IV degree of disability determines the Fund's disability rate.

AI/IV degree of disability	Fund's disability rate	Percentage of residual activity
less than 40 %	no pension	100 %
From 40 %	25 %	75 %
From 50 %	50 %	50 %
From 60 %	75 %	25 %
From 70 %	full pension	0 %

3. In the event of early retirement, the member can no longer be recognised as disabled by the Fund unless the incapacity for work began prior to the retirement.

4. The Fund's disability rate will be adjusted in line with changes in the degree of disability under the AI/IV.

Art. 41 Pension entitlement

1. Entitlement to a disability pension from the Fund begins on the same day as the entitlement to an AI/IV pension.

2. No disability pension is payable by the Fund as long as the member receives his salary or indemnities in lieu of a salary, provided, however, that such indemnities amount to at least 80 % of the salary and are financed 50 % or more by the Employer.

3. Entitlement to a disability pension from the Fund terminates on the same day as the entitlement to an AI/IV pension, but at the latest on the normal retirement date, at which the member becomes entitled to a retirement pension.

Art. 42 Full disability pension

1. Entitlement to a full disability pension from the Fund begins on the same day as the entitlement to a full AI/IV disability pension.

2. The full annual disability pension payable by the Fund corresponds to the notional retirement savings capital at the normal retirement date multiplied by the conversion rate indicated in Annexe A. The full annual disability pension payable by the Fund corresponds to the projected retirement savings capital at the normal retirement date, based on the Standard contribution level, multiplied by the conversion rate set out in Annexe A of these Regulations.

Art. 43 Partial disability pension

1. A member who is entitled to a partial AI/IV disability pension is entitled to a partial disability pension from the Fund from the same date and for the same percentage; that percentage is applied to the amount of the full disability pension under Article 42.

2. A member receiving a partial disability pension from the Fund is considered as:

   a. a disabled member for the portion of his contributory salary corresponding to the percentage of the AI/IV partial disability pension; and

   b. an active member for the portion of his contributory salary corresponding to the salary actually earned.

3. If the beneficiary of a partial disability pension from the Fund terminates his employment with the Employer, the vesting provisions of these Regulations shall apply to the portion of the contributory salary corresponding to the member's actual salary when employment ceases.

Art. 44 Change in degree of disability

1. If a change in degree of disability results in a change in the AI/IV pension, the Fund shall adjust the member's disability pension accordingly. Article 43(3) is reserved.

Art. 45 Supplemental account

1. When a member who receives a full pension, within the meaning of Article 42, reaches normal retirement age, the supplemental account will be paid out in the form of a lump sum. If the Fund only pays a partial pension within the meaning of Article 43, the supplemental account will be paid out pro rata. Article 44 applies mutatis mutandis.

2. Article 21(6) is reserved.

Art. 46 Contribution waiver

1. A member who has lost his earning capacity following an illness or an accident will be released from his obligation to pay contributions under Article 23(1) from the date he is recognised as disabled by the AI/IV.

2. Article 19(3) applies.

Art. 47 Entitlement to a spouse's pension

1. In the event of the death of an active, disabled or retired member of either gender, the surviving spouse is entitled to a pension from the 1st day of the month following the member’s death, but not before the entitlement to a full salary ends.

2. The spouse’s pension is payable until the end of the month in which the beneficiary dies or remarries. Article 49 is reserved.

Art. 48 Amount of spouse's pension

1. The annual spouse's pension is equal to:

   a. if the deceased was an active member:

      60 % of the annual disability pension which the member would have been entitled to receive had he been declared disabled on the day he died;

   b. if the deceased spouse was disabled or retired:

      60 % of the deceased spouse’s insured annual disability or retirement pension.

2. If the surviving spouse is more than 15 years younger than the deceased spouse, the annual spouse's pension is reduced by 0.2 % for each complete month exceeding the 15 years' age difference.

Art. 49 Remarriage of the surviving spouse

1. In the event of remarriage, the surviving spouse is entitled to a one-off payment equal to 3 annual pensions, in full and final settlement of his claims against the Fund.

Art. 50 Death of the surviving spouse

1. If, at the time of death, the surviving spouse has received pension payments totalling less than the lump-sum death benefit calculated on the date of the deceased spouse's death in accordance with Article 65, the difference shall be paid to the children of the deceased spouse in equal shares.

2. If there are no children, the amount referred to in paragraph 1 shall vest with the Fund.

Art. 51 Partner's pension

1. A partnership, including between persons of the same gender, will be treated on an equal footing with a marriage as regards the entitlement to a pension if:

   a. both partners are unmarried and there is no family or step-child relationship, within the meaning of Article 95 of the Swiss Civil Code, between them hindering a marriage; and

   b. the partners cohabited for an uninterrupted period of at least 5 years immediately prior to the member's death, or if at the time of death, the surviving partner had to contribute to the maintenance of one or more of the couple's children; and

   c. the partners have signed a mutual support agreement.

2. Articles 47 to 49 apply mutatis mutandis. Only one surviving partner's pension may be claimed.

Art. 52 Assertion of claim

1. The written mutual support agreement shall contain an explicit mutual support clause as well as an explicit confirmation by both partners that, at the time of its signing, neither party was sharing his life with any other partner. The agreement must be notarised and may be filed with the Fund at any time, at the latest with the application for a partner's pension.

2. The application for a partner's pension must be filed with the Fund no later than one year after the member's death. The application must include:

   a. a certificate from the authorities of the place of residence showing that the partners shared a common residence over the preceding 5 years;

   b. civil status certificates for both partners;

   c. documentation (divorce decree, pension decisions, etc.) enabling the Fund to verify any possible excess insurance.

3. The burden of proof lies with the claimant who must show that he fulfils the conditions laid down in Article 51.

Art. 53 Duration of partner's pension

1. Deviating from Article 47(2), the pension is payable until the end of the month in which the beneficiary dies, signs a new mutual support agreement within the meaning of Article 52, or marries, but for no longer than 5 full years.

2. The pension will be extended for 5 full years at a time provided the beneficiary continues to satisfy the conditions.

3. The beneficiary is obligated to inform the Fund promptly if he enters into a new mutual support agreement. Benefits that are improperly paid shall be reclaimed in accordance with Article 26(5).

Art. 54 New relationship / remarriage of the surviving partner

1. If the surviving partner marries, or enters into a new mutual support agreement within the meaning of Article 52, he shall be entitled to a one-off payment equal to 3 annual partner’s pensions, in full and final settlement of his claims against the Fund.

Fund benefits – Child's pension

Art. 55 Beneficiary

1. A member of either gender who receives a disability or retirement pension from the Fund is entitled to a child's pension for each of his children in accordance with Article 56.

2. Each member, regardless of gender, who receives a disability or retirement pension from the Fund is entitled, at his death, to a child's pension for each of his children in accordance with Article 56.

Art. 56 Children

1. Are deemed a member's children:

   a. children from a marriage contracted with the member;

   b. children whose filiation from the member is by birth or adoption, or is based on marriage, recognition or a court decision;

   c. accepted children who were dependent on the member at the time of his death or at the start of his entitlement to a disability or retirement pension;

   d. by a decision of the Pension Board, children who are dependent on the member (or who were dependent at the time of death) to a significant extent.

Art. 57 Entitlement to a child's pension

1. Entitlement to a child's pension begins on the date on which payment of the disability or retirement pension begins, or on the first day of the month following the death of the member, but not before entitlement to the full salary terminates.

2. The entitlement to a child's pension terminates at the end of the month in which the child reaches the age of 18.

3. In the case of children who are studying, training as apprentices or who are disabled, entitlement to a child's pension shall expire upon termination of the course of study, apprenticeship or disability, but no later than the end of the month in which the child reaches the age of 25.

4. When the beneficiary of a child's pension dies, entitlement to the pension ceases at the end of the month of his death.

Art. 58 Amount of the child's pension

1. The annual child's pension is equal to:

   a. if the member is disabled or retired:

      20 % of the annual disability or retirement pension insured with the Fund;

   b. if the deceased was an active member:

      20 % of the annual disability pension which the member would have been entitled to receive had he been declared disabled on the day he died;

   c. if the deceased member was disabled or retired:

      20 % of the annual disability or retirement pension insured with the Fund;

2. The annual child's pension is doubled for children whose father and mother are both deceased.

Art. 59 General

1. In the event of the death of an active, disabled or retired member, regardless of gender and whether married or not, the Fund shall pay the beneficiaries under Article 60 a death grant in the form of a single lump-sum payment.

Art. 60 Beneficiaries

1. The spouse is the first beneficiary of the death grant; failing a spouse, the beneficiaries are in accordance with Article 64(1).

2. Failing any beneficiaries in accordance with paragraph 1, the Pension Board shall be entitled to pay the full death grant, or a portion thereof, to a third party who can show that he is covering the last costs in connection with the death.

3. Failing any beneficiaries under paragraph 1, and if the Pension Board does not make a transfer pursuant to paragraph 2, the death grant shall vest with the Fund.

Art. 61 Amount of the death grant

1. The death grant equals:

   a. if the deceased was an active member:

      50 % of the annual disability pension which the deceased member would have been entitled to receive had he been declared disabled on the day he died;

   b. if the deceased was disabled or retired:

      50 % of the deceased member's insured annual disability or retirement pension,

   but not more than the full minimum AVS/AHV annual retirement pension.

Art. 62 Supplemental account

In the event of an active member's death, the supplemental account described in Article 21 will be paid out in cash to the beneficiaries indicated in Article 60.

Art. 63 General principle

1. If a member of either gender dies without there being an entitlement to a partner's pension within the meaning of Article 51, a lump-sum death benefit shall be due to the beneficiaries of the deceased.

Art. 64 Beneficiaries

1. Irrespective of the law of succession, the survivors of the deceased are entitled to the lump-sum death benefit in the following order:

   A. a. the surviving partner of an unmarried member who had been cohabitating with the member for an uninterrupted period of at least 5 years before the member's death or who has to contribute to the maintenance of one or more of the couple's children;

   b. failing him: persons to whom the deceased member provided substantial support.

   Failing any beneficiaries in category A:

   B. a. children who are not entitled to an orphan's pension;

   b. failing them: the parents;

   c. failing them: brothers and sisters.

   If there are several beneficiaries in the same category, the lump-sum death benefit shall be divided among them in equal shares.

2. The member may, by written declaration to the Fund, alter the order of distribution between beneficiaries of the same category and/or provide for an unequal distribution of the lump-sum death benefit between beneficiaries of the same category.

   The order of the categories of beneficiary may not be changed.

3. In absence of a written declaration changing the order of beneficiaries or the distribution of the lump-sum benefits, or if the declaration does not comply with paragraph 2, the general order of beneficiaries provided in paragraph 1 shall apply.

4. Beneficiaries must claim their entitlement from the Fund within 1 year of the member's death. Lump-sum death benefits that cannot be paid out shall vest with the Fund.

Art. 65 Amount of the lump-sum death benefit

1. The lump-sum death benefit is equal to 50 % of the accrued retirement savings at the time of death or, in the case of disabled and retired members, 50 % of the accrued retirement savings capital when the pension started, less the following amounts: all pension benefits already paid by the Fund, or lump-sum settlements in lieu of a pension, and the death grant paid out pursuant to Article 59.

Art. 66 Death of a divorced member

1. In the event of the death of a divorced member, the surviving divorced spouse is entitled to a divorced spouse's pension if:

   a. under the terms of the divorce decree, the spouse was awarded a pension, or a lump-sum settlement in lieu of a life annuity;

   b. if the spouse is at least 45 years old or has one or more dependent children; and

   c. if he was married to the deceased member for at least 10 years.

2. Entitlement to a divorced spouse's pension begins the month after the member's death, but not before the end of the deceased’s entitlement to a salary; it terminates at the end of the month in which the beneficiary dies or remarries.

3. If, at the member’s death, the divorced spouse is not yet 45 and does not have any dependent children but satisfies the other conditions stipulated in paragraph 1, he shall be entitled to a lump-sum settlement equal to three annual divorced spouse's pensions.

4. The annual pension paid to the divorced spouses shall be equal to the amount of the lost maintenance payments, less any benefits paid by other insurance institutions, particularly the AVS/AHV//AI/IV. The benefits paid to the divorced spouses shall not exceed the minimum LPP/BVG spouse's pension.

5. Payment of a divorced spouse's pension shall in no way affect the rights of the surviving spouse of the deceased member.

Art. 67 Transfer of vested termination benefits in case of divorce

1. If an active member of either gender divorces, his vested termination benefits and those of his spouse are determined for the duration of the marriage and are distributed in accordance with Articles 122, 123, 141 and 142 of the Swiss Civil Code. The court notifies the Fund ex officio of the amount to be transferred with the mandatory indications concerning the maintenance of coverage.

2. If the member’s vested termination benefits are fully or partially transferred in accordance with paragraph 1, the member’s available retirement savings capital at the time of divorce will be reduced by the amount attributed to the ex-spouse. All the member's accounts with the Fund, including the minimum LPP/BVG retirement savings capital, will also be reduced proportionately. The amount transferred can be repurchased.

Art. 68 Entitlement to vested termination benefits

1. A member whose employment terminates for any reason other than retirement or disability is entitled to vested termination benefits.

2. Vested termination benefits are payable on termination of employment. After that date, they accrue interest at the minimum BVG/LPP interest rate. If the Fund does not transfer the benefits within 30 days of receipt of all the requisite information, interest shall accrue at the legal default rate from that date, but not before 30 days after the member has exited the Fund.

Art. 69 Amount of vested termination benefit

1. The amount of the vested termination benefit is equal to the member's retirement savings capital accrued on the day employment ends, including the supplemental account, if any, under Article 21, subject to Article 67 and Article 75.

Art. 70 Minimum vested termination benefit

1. The termination benefit is at least equal to the minimum amount under Article 17 LFLP/FZG, namely: the sum of any purchases (vested termination benefits and voluntary contributions) with interest at the minimum LPP/BVG rate, plus

   a. the member's contributions up to 31.12.2009, plus

   b. the member's savings contributions from 01.01.2010 with interest at the minimum LPP/BVG rate, plus an additional 4% per year for each year over age 20 (up to a maximum of 100%).

   The member's age is the difference between the current calendar year and the year of his birth.

2. If, in the event of underfunding, interest is credited to retirement savings capital at a rate lower than the LPP/BVG minimum rate, that rate shall be conclusive for the calculation of the minimum amount contemplated in Article 17 LFLP/FZG.

Art. 71 Allocation of vested termination benefit

1. The Employer shall inform the Fund without delay of the termination of employment, indicating whether it was due to health reasons. He shall communicate the member's address to the Fund or, if that is not possible, the member's AVS/AHV number.

2. The Fund informs the member of the amount of his vested termination benefit, inviting him to communicate the necessary instructions within 30 days for its transfer in accordance with paragraphs 3 and 4.

3. If the member starts work with a new employer, the Fund shall transfer the vested termination benefit to the new employer's pension plan in accordance with the member's instructions.

4. If the member does not begin work with a new employer, he may choose between:

   a. subscribing a vested benefits policy with an insurance company under the control of the insurance regulatory authorities, with a collective insurance established by such an insurance company, or with a pension institution under public law in accordance with Article 67(1) LPP/BVG;

   b. opening a vested benefits account with a foundation which invests its monies through or with a bank subject to the Federal Law on banks and savings institutions.

5. If the Member fails to provide the required information within the set time limit, the Fund shall transfer the termination benefit, together with interest in accordance with Article 68(3), to the Substitute Pension Plan no sooner than six months but no later than two years after termination of employment.

6. Article 72 is reserved.

Art. 72 Cash payments

1. A member may apply for the vested termination benefits to be paid in cash if:

   a. he leaves Switzerland permanently for a country other than the Principality of Liechtenstein;

   b. he becomes self-employed and is no longer subject to compulsory occupational pension insurance; or

   c. the vested termination benefit is less than the member's annual contribution at the end of employment.

2. If a member leaves to settle in one of the Member States of the European Union, or in Iceland or Norway, and is subject in that State to compulsory insurance against retirement, death and disability, the LPP/BVG minimum of his vested termination benefit cannot be paid in cash.

3. The Pension Board may request any proof it deems necessary and delay payment pending receipt of such proof; if the member is married, the Pension Board will also require the spouse’s written consent; failing such consent, or if the spouse unreasonably withholds his consent, the member may go to court.

4. If the spouse’s consent cannot be obtained or if the proof referred to in paragraph 3 is not forthcoming, the vested termination benefit shall be used as provided in paragraph 4 or 5 of Article 71.

Vested termination benefits

Art. 73 End of coverage with the Fund

1. Coverage with the Fund ceases upon termination of employment subject to Article 74.

2. If, during the month following termination of employment, the employee does not sign an employment contract with a new employer, and if he dies or is incapacitated by a cause which subsequently leads to his death or to the recognition of a disability by the Federal Disability Insurance, the Fund shall provide the benefits which were insured on the day the employment terminated.

Art. 74 Leave of absence

1. If a member takes a temporary leave of absence, i.e. maximum 2 years, from the Employer, he may apply for his benefit coverage to be maintained. During the leave, coverage will be maintained at the same level as the day before the member took his leave. The risk insurance contributions in accordance with Articles 23 and 24 must continue to be paid. The payment terms will be set out in a written agreement.

2. The retirement savings capital of members on temporary leave of absence will be incremented in accordance with Article 19(2)(b) and (c).

Art. 75 Withdrawal

1. Active members may withdraw their pension assets to finance the purchase of their own home up to 3 years before normal retirement age. “Own home” means a home used by the member at his place of residence or at his usual abode. The member must submit the requisite documentation.

2. Pension assets may be used to acquire or build a residential property, to acquire co-ownership in residential property, or to repay mortgages.

3. Withdrawals are subject to the written consent of the spouse.

4. The full amount of the vested termination benefit may be withdrawn before age 50. Thereafter, no more than half of the vested termination benefit may be withdrawn, but at least the amount of the vested termination benefit to which the member was entitled at age 50.

5. The minimum withdrawal is CHF 20,000. An application for withdrawal may only be made once every five years.

6. Once the conditions for a withdrawal are satisfied, the Pension Fund has 6 months in which to make the payment. In case of underfunding, withdrawals for the repayment of mortgages may be deferred, reduced or refused altogether; the Pension Fund shall inform members whose application for a withdrawal has been reduced or refused about the duration and scope of the measure.

7. A withdrawal leads to a reduction in the available retirement savings capital and the benefits deriving from therefrom. All the member's accounts with the Fund, including the minimum LPP/BVG retirement savings capital, shall also be reduced pro rata.

8. To alleviate the consequences of the reduction in benefits on the death and disability coverage provided by the Fund, the Fund shall intermediate an insurance policy covering all or a portion of the reduction in death and disability coverage. The member shall bear the full cost of such insurance.

9. A member may repay the amount withdrawn to finance home ownership no later than three years before the normal retirement age, or until the occurrence of another insured event or until the vested retirement benefits are paid out in cash.

10. A member must repay the amount withdrawn for home ownership if the property is sold, or if rights are granted to the property which are economically equivalent to a sale. Heirs must repay the amount withdrawn if no benefits are payable by the Fund at the time of the member’s death. Encouragement of home ownership

11. The amount repaid shall be used for purchasing benefits (Article 20).

12. Withdrawals are taxable as a lump-sum pension benefit. If the withdrawal is repaid, the member may apply for a refund of the taxes paid. However, such repayments are not deductible from the member’s taxable income.

13. The Federal Law on the use of pension assets for the encouragement of home ownership is applicable in all other respects.

Art. 76 Pledging

1. An active member may pledge his pension assets and/or entitlement to early retirement benefits to finance the purchase of his own home up to three years before the normal retirement age.

2. Pension assets may be used to acquire or build a residential property or to acquire a co-ownership in residential property for own use.

3. A pledge may only be made with the written consent of the spouse.

4. The full amount of the vested termination benefit may be pledged up to age 50. Thereafter, no more than half of the vested termination benefit may be pledged, but at least the amount of the vested termination benefit to which the member was entitled at age 50.

5. To be valid, the pledge must be notified to the Fund in writing.

6. Cash payments (Article 72), the payment of pension benefits and payments in connection with a divorce are subject to the mortgagee’s written consent.

7. If the pledge is satisfied or enforced, the provisions concerning withdrawal shall apply mutatis mutandis.

8. The Federal Law on the use of pension assets for the encouragement of home ownership is applicable in all other respects.

Transitional provisions

Art. 77 Minimum retirement age

1. Persons who were insured with the Fund on 31.12.2005 are entitled to early retirement at age 57 before 31.12.2010.

Art. 78 Guaranteed benefits on 1 January 2000

1. The benefits insured on 31.12.1999 and the benefits insured at normal retirement age are guaranteed in francs for the same degree of employment and the same annual salary provided that, in the meantime, there has been no withdrawal or pledge in connection with the encouragement of home ownership, no transfer of vested termination benefits in connection with a divorce, and that no lump-sum payment of retirement benefits has been requested.

Art. 79 External insurance with contribution waiver as of 31 December 1999

1. These Regulations do not affect the terms and conditions of insurance for employees insured externally with contribution waivers as of 31.12.1999.

Art. 80 Lump-sum death benefit for pensions in payment prior to 01.01.199380

1. The lump-sum death benefit for members whose entitlement to a retirement or disability pension started before 01.01.1993 and who die after 31.12.2001, is at least CHF 2,000 in accordance with Article 65.

Art. 81 Sunrise Collective Pension Fund

1. Former members of the Sunrise Collective Pension Fund (the “Sunrise Collective”) who transferred to the Fund on 1 August 2009 do not have the option of choosing between the contribution variants referred to in paragraphs 2(b) and 3 of Article 23. The Sunrise Collective shall be insured for retirement benefits in the standard variant.

Art. 82 Remedial measures in case of underfunding

1. In case of underfunding within the meaning of Article 44 OPP2/BVV2, the Pension Board shall introduce appropriate remedial measures in cooperation with the actuarial expert. Where necessary, financing and benefits may be adjusted in the light of available assets. The proportionality principle shall be observed.

2. The Fund may in particular deduct remedial contributions from the members, Employer and pensioners, subject to the proportionality principle. The Employer contribution must be at least equal to the aggregate contributions levied from members. A remedial contribution from pensioners may only be deducted from that portion of the pension deriving from increases which, in the 10 years preceding the introduction of the measure, were not prescribed by law or regulations, and provided it does not affect the LPP/BVG minimum benefits. The pension amount set at the time the pension entitlement vests shall always be guaranteed. Pensioners' contributions will be deducted from current pension payments.

   The remedial contribution is not included for the purpose of calculating the minimum vested termination benefits (Article 70).

3. If the remedial measures contemplated under paragraph 2 are insufficient, the Pension Fund may, for as long as it is underfunded and for a period not exceeding five years, apply an interest rate that is at the most 0.5 % lower than the minimum LPP/BVG rate.

4. In case of underfunding, the Employer can pay contributions to a separate employer contribution reserve covered by a declaration of renounced use ("ECR with renounced use") and may also transfer to that account amounts from the ordinary employer contribution reserves. In that case, the Employer and the Fund shall conclude a written agreement accordingly. The contributions shall not be greater than the underfunding and shall not accrue interest. The employer contribution reserve with renounced use shall be maintained at least as long as the underfunding continues.

5. In case of underfunding within the meaning of Article 44 OPP2/BVV2, the Pension Board shall inform the Regulatory Authority, the Employer and the members and pensioners of the remedial measures taken on the advice of the pension actuary.

Art. 83 Interest rates

1. The Fund's actuarial interest rate is set in Annexe A to these Regulations.

2. The interest rate credited to retirement savings capital will be set by the Pension Board in the following year.

Art. 84 Amendment of Regulations

1. The Pension Board may amend these Regulations at any time; notwithstanding, members' entitlements calculated as of the amendment date may not be cut back. Article 82 of these Regulations is reserved.

Final provisions

Art. 85 Interpretation

1. Any cases not expressly provided for in these Regulations shall be decided by the Pension Board, which shall take account of the meaning and spirit of the Fund Charter and Regulations, applicable law and the relevant implementing rules.

Art. 86 Disputes

1. Any disputes arising from or in connection with the interpretation, application or non-application of these Regulations shall be submitted to the competent courts of the registered office or the Swiss domicile of the defendant, or of the place of business where the member was employed.

Art. 87 Effective date

1. These Regulations are effective from 01.01.2010.
2. They cancel and supersede the Regulations in effect hitherto. Addendum 2 to the Regulations remains in full force and effect.
3. These Regulations shall be submitted to the Regulatory Authority for approval.
4. They shall be distributed to all members.

On behalf of the Pension Board

The Chairman:	The Deputy Chairman:
sig. Walter Schmid	sig. Christoph Gut

Annexe A

Reference amounts per 01.01.2010

Art. 5(1) The threshold level under Article 2 LPP/BVG is CHF 20,520.

Art. 18(1) The coordination amount is CHF 15,000.

Art. 34 The conversion rate for retirement savings capital, depending on the member's age at retirement, is:

Men		**Women**	
Age	*Conversion rate*	*Age*	*Conversion rate*
57	5.30 %	57	5.50 %
58	5.40 %	58	5.60 %
59	5.50 %	59	5.70 %
60	5.65 %	60	5.85 %
61	5.80 %	61	6.00 %
62	5.95 %	62	6.15 %
63	6.10 %	63	6.30 %
64	6.25 %	64	6.45 %
65	6.40 %	65	6.60 %
66	6.55 %	66	6.75 %
67	6.70 %	67	6.90 %
68	6.85 %	68	7.05 %
69	7.00 %	69	7.20 %
70	7.15 %	70	7.35 %

A member's age is calculated in years and months; for fractions of a year, the above rates apply pro rata.

Art. 19(2) The interest rate credited to retirement savings capital shall be set each year by the Pension Board.

Art.42(2) The notional retirement savings capital is projected with a 4% interest rate. The conversion rate for the notional retirement savings capital is 6.40 % for men and 6.45 % for women.

Art. 83(1) The Fund's actuarial interest rate is 3.5 %.

Annexe B

Immediate reduction of retirement pension for payment of a bridge pension of CHF 1,000

Men

For men, the reduction in retirement pension following the payment of a bridge pension equals (in CHF), for each CHF 1,000 bridge pension:

Age when payment starts	**Age when payment stops**								
	57	58	59	60	61	62	63	64	65
57	0.00	55.00	108.20	159.60	209.20	257.20	303.50	348.30	391.60
58		0.00	55.60	109.20	161.10	211.20	259.60	306.40	351.60
59			0.00	56.70	111.40	164.30	215.40	264.80	312.50
60				0.00	57.80	113.70	167.70	219.80	270.20
61					0.00	59.10	116.20	171.30	224.60
62						0.00	60.40	118.80	175.20
63							0.00	61.80	121.60
64								0.00	63.40
65									0.00

For the purposes of this article, a member's age is calculated in years and months; for fractions of a year, the above rates apply pro rata.

Example

Early retirement of a male employee age 61:

Amount of annual early retirement pension	CHF	20,000.00
Bridge pension between ages 61 and 63 (2 years), per year	CHF	18,000.00
Reduction in early retirement pension from age 61 (CHF 18,000 x 116.20)/1,000	CHF	2,091.60
Amount of the annual early retirement pension from age 61 (CHF 20,000 – CHF 2,091.60)	CHF	17,908.40

Annexe B

Women

For women, the reduction in retirement pension following the payment of a bridge pension equals (in CHF), for each CHF 1,000 bridge pension:

Age at start of bridge pension	Age when payment stops								
	57	58	59	60	61	62	63	64	65
57	0.00	55.60	109.40	161.30	211.50	260.00	306.80	352.10	395.80
58		0.00	56.80	111.60	164.60	215.70	265.20	313.00	359.10
59			0.00	58.00	114.00	168.10	220.30	270.80	319.60
60				0.00	59.30	116.50	171.80	225.30	276.90
61					0.00	60.60	119.20	175.80	230.50
62						0.00	62.10	122.20	180.20
63							0.00	63.70	125.30
64								0.00	65.50
65									0.00

For the purposes of this Article, a member's age is calculated in years and months; for fractions of a year, the above rates apply pro rata.

Example		
Early retirement of a female member aged 60:		
Amount of annual early retirement pension	CHF	20,000.00
Bridge pension between ages 60 and 62 (2 years), per year	CHF	18,000.00
Reduction in early retirement pension from age 60 (CHF 18,000 x 116.50)/1,000	CHF	2,097.00
Amount of the annual early retirement pension from age 60 (CHF 20,000 – CHF 2,097.00)	CHF	17,903.00

Annexe C

Maximum retirement savings capital for calculating personal purchase limits (Article 20(3))

The maximum retirement savings capital for calculating a personal purchase is equal to the member's contributory salary multiplied by the following age-related factor:

Men and women		Men and women	
Age at purchase	**Maximum retirement savings capital**	**Age at purchase**	**Maximum retirement savings capital**
25	0.0000	46	4.2542
26	0.1650	47	4.5043
27	0.3333	48	4.7594
28	0.5050	49	5.0196
29	0.6801	50	5.2850
30	0.8587	51	5.5557
31	1.0408	52	5.8318
32	1.2267	53	6.1134
33	1.4162	54	6.4007
34	1.6095	55	6.6937
35	1.8067	56	6.9926
36	2.0078	57	7.2975
37	2.2130	58	7.6084
38	2.4223	59	7.9256
39	2.6357	60	8.2491
40	2.8534	61	8.5791
41	3.0755	62	8.9157
42	3.3020	63	9.2590
43	3.5330	64	9.6091
44	3.7687	65	9.9663
45	4.0091		

A member's age is calculated in years and months; for fractions of a year, the above rates apply pro rata.

Example 1

A member joins the Fund at age 35 with an annual salary of CHF 65,000 and vested termination benefits of CHF 40,000:

▪ Contributory salary = CHF 65,000 – CHF 15,000 =	CHF	50,000.00
▪ Maximum retirement savings capital at age 35 = (CHF 50,000 x 1.8067) =	CHF	90,335.00
▪ Maximum voluntary contribution at age 35 = (CHF 90,335 – CHF 40,000) =	CHF	50,335.00

Example 2

Puchase of an existing member age 50 with an annual salary of CHF 100,000 and an available retirement savings capital of CHF 350,000

▪ Contributory salary = CHF 100,000 – CHF 15,000 =	CHF	85,000.00
▪ Maximum retirement savings capital at age 50 = (CHF 85,000 x 5.2850) =	CHF	449,225.00
▪ Maximum personal purchase at age 50 = (CHF 449,225 – CHF 350,000) =	CHF	99,225.00

The example gives an order of magnitude. The calculation is made for the individual member's age and birthday, in January.