

Regulations Governing the Vested Benefits

Preliminary remarks

The term “accountholder” as used in these regulations refers to all genders. In order to enhance readability, only masculine pronouns are used throughout this text.

The data is used in accordance with the applicable statutory provisions. Additional information on data protection can be found at [<https://www.rendita-stiftungen.ch/dataprotection>].

1. Purpose

The vested benefits account is set up to maintain and continue occupational benefits insurance coverage.

The vested benefits account is governed by the provisions of the Federal Act on Vesting in Pension Plans of December 17, 1993 (FZG) and the Ordinance on Vesting in Pension Plans of October 3, 1994 (FZV).

2. Account types and investments

a) Vested benefits account in the form of a pure savings plan

Rendita Vested Benefits Foundation (hereinafter referred to as “foundation”) manages a benefits account in the form of a pure savings plan for each accountholder. For the vested benefits account as a pure savings plan, the Board of Trustees decides on the banks where the withdrawal benefit brought into the fund can be invested. The pension capital equals the withdrawal benefit brought into the fund plus the interest that is credited to the account on December 31. The interest rate is set by the bank and adjusted continuously to reflect market conditions. Assets invested with a bank are deemed to be savings deposits under Art. 19 of the Ordinance on Vesting in Pension Plans and qualify for the privileges defined in the Swiss Federal Banking Act.

The foundation has the right to share with the relevant partners (bank, insurances, financial services and administration) all the information that is required for managing the account and ensuring adequate customer care. The foundation and the cooperation partner are permitted to use this data for providing customer care and support as well as for marketing purposes.

The foundation ensures that all accountholder’s who have made the same choices receive the same treatment. Particularly, it ensures that each individual accountholder is in compliance with the relevant statutory provisions as well as with the conditions that were agreed with the banks that are bound by the contract.

b) Vested benefits account as an investment type savings plan (securities saving)

The accountholder can add a securities saving component to the vested benefits account with a pure savings plan. In this case, all or some of the pension capital will be invested in one or more BVV 2- compliant investment groups or

funds. The Board of Trustees determines which BVV 2- compliant investment products (strategies) can be used, if and insofar as the bank selected to manage the account ensures proper advice for such products and has entered into a respective agreement with the foundation. The foundation buys or sells the required number of units in the selected investment group or fund on behalf of and in favor of the accountholder. It debits the purchase amount from the vested benefits account with a pure savings plan or credits the account with the proceeds from the sale. The buy and sell prices of the units equal the issue and redemption prices of the investment products. The pension capital equals the current value of the investment. There is no entitlement either to interest or to capital preservation. The accountholder bears the investment risk.

The accountholder is aware that investing in securities can result in price losses that he himself has to bear. The foundation assumes no liability for this.

The separate “Instruction to open a vested benefits safe-keeping account and/or buy/sell units in an investment group” form contains the exact terms and modalities.

c) Provisions

The foundation’s assets are managed in accordance with the investment regulations and legal principles defined in the Ordinance on Vesting in Pension Plans. Persons entrusted with managing the investment must guarantee proper business conduct.

3. Receipt of capital

The previous employee pension fund or vested benefits institution transfers the vested benefits to the central foundation account. The foundation books these into the accountholder’s account. Subsequent payments are possible, provided that these represent vested benefits from an occupational pension fund or retirement capital from another vested benefits institution. Any unlawfully transferred

pension capital will be returned to the previous occupational benefits institution.

The accountholder himself may only make payments into the account if a payment represents the repayment of advance withdrawals or realized pledges under the promotion of home ownership scheme pursuant to Art. 30d of the BVG.

4. Obligation to provide information

The foundation sends the accountholder a confirmation of the opening of the vested benefits account and each securities transaction. Subsequently, in January of the following year, the accountholder receives an annual statement of his vested benefits account and/or safekeeping account as per December 31 every year.

The accountholder must inform the foundation in writing of any changes in address, name and marital status. If the accountholder is married, he must inform the foundation of the date of marriage and any divorce. Changes in name or marital status must be confirmed by an official document. Notifications from the foundation are deemed to have been duly received under the law if they are sent to the address most recently provided by the accountholder.

An e-mail address used or disclosed by the accountholder may be used for the vested benefits relationship.

Regulation amendments will be deemed to have been approved unless the accountholder lodges a written objection within 30 days of the notification by letter. If it is not possible to notify the accountholder by letter, for example because his address is unknown, the deadline for objection is 30 days following publication of the regulation amendment on the foundation's website.

The foundation refuses to accept any responsibility for the consequences of any deficiencies, delays or inaccuracies in the information on the accountholder's address or personal details. In cases where benefits are paid incorrectly because the accountholder has allowed unauthorized parties to gain possession of documents and/or the information contained therein, the foundation is liable only if the case involves gross negligence or intent.

The foundation must notify the Second Pillar Central Office annually about any insured persons for whom a credit balance was held in December of the previous year. It shall indicate whether contact has been lost with the holder of the pension assets. Dormant vested benefits, and vested benefits where contact with the holder has been lost, are transferred to the Security Fund ten years after the accountholder reaches the AHV reference age.

5. Correspondence from the accountholder

The accountholder must send all correspondence – in one of Switzerland's national languages or in English – directly to the foundation.

6. Retirement benefits

The accountholder is entitled to retirement benefits. As a rule, retirement benefits are paid out when the accountholder reaches the AHV reference age.

The benefits may be paid out at the earliest five years prior to this date. If the accountholder informs the foundation that they remain gainfully employed, the pension may be deferred at the most by five years after the person has reached AHV reference age.¹ The accountholder must request payment of the retirement benefits in writing by submitting the applicable form to the foundation.

The retirement benefits can be paid to the accountholder at an earlier date if the accountholder receives a full disability pension from the Federal Disability Insurance (IV).

7. Death benefits

If the accountholder dies before the retirement benefits fall due, the vested benefits amount is deemed to be a lump sum payable on death and is paid to the following persons in the order listed below:

- a) the surviving spouse and, to the extent that they have a claim to survivors' benefits in accordance with the BVG, the orphans and foster children and, if applicable, the divorced spouse; if none
- b) natural persons supported to a considerable extent by the accountholder or the person with whom the accountholder lived in a domestic partnership without interruption during the five years preceding his death, or the person responsible for the maintenance of one or more joint children; if none
- c) children who do not have a claim to survivors' benefits in accordance with the BVG; if none
- d) the parents; if none
- e) the siblings; if none
- f) the other legal heirs, to the exclusion of the community.

The accountholder has the right to stipulate the amounts to be paid to each of the beneficiaries and to extend the group of people mentioned under a) to include those under b). The accountholder also has the right to change the order of beneficiaries under c), d), and e).

If the entitlement of the individual beneficiaries is not described in detail, beneficiaries in the same category will receive equal parts of the lump sum payable at death.

¹ Persons who have to receive their retirement benefits as specified in section 6 between the years 2024–2029 because they have either reached or already passed the reference age and are no longer gainfully employed may defer payout of these benefits until December 31, 2029, but no later than five years after the reference age has been reached.

The foundation may refuse to pay out if the accountholder's death was caused deliberately by the beneficiary. In this case, the benefits are due instead to the other beneficiaries in the same category or, if there are none, to the beneficiaries in the next category.

8. Transfer of vested benefits

The vested benefits can be transferred to an occupational pension fund or a vested benefits institution at any time. Partial transfers are allowed only if the funds are fully earmarked for the purchase of benefits from an occupational pension fund and a corresponding purchase calculation is submitted. For purchases after the AHV reference age, the accountholder must provide evidence that they continue to be gainfully employed.

In the case of vested benefits, the foundation issues a statement detailing the withdrawal benefit for the policyholder. It informs the occupational benefits institution or the vested benefits institution of the relevant data pertaining to the transfer.

9. Early cash payment

Early cash payment of vested benefits is possible if

- a) the balance of the vested benefits account is less than the accountholder's annual contribution to his previous pension fund;
- b) the accountholder permanently leaves the Switzerland/Liechtenstein economic area; cash payment of the BVG vested benefits, i.e. the mandatory portion, is no longer possible when leaving Switzerland permanently if the accountholder continues to be insured against the risks of old age, disability and death in accordance with the legislation of an EU (or EFTA) member state;
- c) the accountholder becomes self-employed in Switzerland and is no longer subject to mandatory occupational benefits insurance. The benefits may be withdrawn within one year of the accountholder becoming self-employed.

10. Payment of benefits

Benefits are paid only in the form of a lump sum. Payment falls due 30 days after receipt of the complete application. If the foundation is in arrears with its payment, it must pay default interest in accordance with Art. 26 FZG, para. 2. If debt enforcement assistance proceedings against the accountholder are pending, the default rule does not apply until the debt enforcement assistance authority approves the payment of the overdue claims.

When paying vested benefits and retirement benefits, the foundation will usually sell the units in investment products within five working days of approving the accountholder's application for payment.

On the death of the accountholder, the order is placed as

soon as the foundation has been informed of the death by way of a civil status document.

Benefits that were paid incorrectly or unlawfully must be repaid to the foundation.

11. Withdrawal of benefits

1. In order to withdraw vested benefit assets or retirement benefits, the accountholder must, depending on the situation, submit the relevant form containing exact information about the reason for the payment and the payment address and listing the documents required to substantiate the payment. The accountholder must have the document cosigned by the spouse and have his signature on the form certified. All forms are available from the foundation. All formal prerequisites set out in the forms constitute an integral part of these regulations.
2. The foundation reserves the right to request any further certificates it may deem necessary to verify the situation.

12. Transfer of some or all of the benefits

1. If an accountholder instructs the foundation to transfer some of the vested benefits, which can be done only if he purchases additional retirement benefits, divorces or makes an advance withdrawal to finance home ownership, the foundation sells only the amount of units in investment groups required to cover the partial amount as requested.
2. If the accountholder joins a new occupational pension fund (e.g. when starting a new job), the vested benefits must be transferred. The accountholder must inform the foundation if he joins a new occupational pension fund.

A form is not required for a transfer to a new occupational pension fund, but the application must be signed by the accountholder and a payment slip for the new occupational pension fund must be enclosed.
3. The new occupational pension fund may also instruct the foundation directly to transfer the vested benefits.

13. Assignment and pledging

Claims to benefits can be neither legally assigned nor pledged before they fall due. Art. 14 remains reserved.

14. Promotion of home ownership

The accountholder may make an advance withdrawal of or pledge his vested benefits up to the statutory maximum to purchase residential property for own use. The advance withdrawal and pledge of retirement assets are governed by the legal provisions as well as by the "Regulations on the Use of Vested Pension Accruals for Home Ownership".

15. Divorce

In the event of divorce, the court may rule that part of the vested benefits accrued by the account holder during the course of the marriage must be transferred to the spouse and deducted from claims under divorce law that are intended to protect retirement assets. The foundation transfers these funds to the occupational pension fund or vested benefits institution of the spouse in accordance with the divorce decree. Until it is verified that the legal pension claims of the entitled spouse have been met, the foundation reserves the right to demand additional documents for examination of the facts. As long as these have not been provided, it may reject any payment request of the account holder.

16. Fiscal treatment

The vested benefits and income earned on this capital are exempt from tax until they fall due. The benefits are taxed in accordance with the provisions of federal and cantonal law. When paying benefits, the foundation must comply with the statutory provisions of the federal law governing withholding tax by notifying the tax authorities of the withdrawals, providing the address and social insurance number of the recipient, and, in the case of payouts to recipients resident abroad, retaining any amounts due in tax at source.

17. Fees

The foundation can charge a fee to the insured person or beneficiary to cover its administrative and advisory expenses, and it can debit the fee from the vested benefits account or deduct it from the payment. Contributions to the Guarantee Fund can continue to be passed on to the account holder. Where contact with the account holder has been lost, the regular fees will continue to be charged. The costs and fees are laid out in separate cost regulations that can be obtained from the foundation.

18. Liability

The foundation is not liable to the account holder for any consequences of the account holder's non-compliance with statutory, contractual or regulatory obligations.

19. Place of jurisdiction

Any disputes arising from this contract can be brought only before a Swiss court. The place of jurisdiction is the defendant's place of residence in Switzerland. The foundation is domiciled in the city of Winterthur. If there is any divergence in construing due to the language, the German regulations hold.

20. Entry into force, amendments

These regulations enter into force as of Juli 1, 2024. Amendments to the relevant legal provisions underlying these regulations remain reserved. Any such amendments will apply to these regulations from the date on which they enter into force.

The foundation Board is authorized to amend these regulations at any time. Such amendments require the approval of the supervisory authority and will be notified to the account holder in the manner described in Art. 4 above.