



*Rules on managing vesting accounts*

# RULES

## on managing vesting accounts

Valid from 1 January 2018

Any references to the masculine gender of persons are made in the interests of readability and of course always include the feminine.



## Rules on managing vesting accounts

### Art. 1 Provider, registered office and supervision

Provider <sup>1</sup> The provider of the pension scheme described in these rules is the "Schweizerische Sozialpartner-Stiftung für die Auffangeinrichtung" as defined in Article 60BVG (Substitute Occupational Benefit Institution) hereinafter referred to as the "Institution".

Registered office and supervision <sup>2</sup> The Institution has its registered office in Zurich. It is subject to supervision by the "Oberaufsichtskommission Berufliche Vorsorge"

### Art. 2 Purpose

- <sup>1</sup> The Institution receives vested benefits from persons who:
- leave their pension scheme and do not provide any information on how the vested benefits are to be used;
  - ask their former pension scheme or vested benefits institution to transfer their vested benefits to the Institution;
  - wish to convert the termination benefits received following divorce or the pensions transferred pursuant to Art. 124a ZGB into a pension from the Institution (see Art. 60a BVG).

### Art. 3 Registered partnership

Pursuant to the Swiss Federal Law of 18 June 2004 regarding Registered Same-sex Partnerships, registered partnerships shall be deemed equivalent to marriage. Accordingly, the provisions of these Rules that apply to spouses shall also apply to insured persons living in registered partnerships.

### Art. 4 Opening and management of vesting accounts

<sup>1</sup> The Institution shall open and manage an interest-bearing account in the name of the insured person for the vested benefits transferred to it.

### Art. 5 Payment of interest

<sup>1</sup> The Board of Trustees sets the interest rate. The interests are being credited annually on 31st of December. In the event of the vesting account being liquidated a corresponding interest rate will be paid with effect from the date of liquidation.

### Art. 6 Transfer to a new pension scheme or a different vested benefits institution

<sup>1</sup> Upon the insured person's request, the vested benefits shall be transferred to a new pension scheme or to a different vested benefits institution (vesting account/policy) in Switzerland or to the Principality of Liechtenstein.

### Art. 7 Cash payment of vested benefits

Requirements <sup>1</sup> The insured person may request cash payment of the vested benefits if:

- he/she permanently leaves Switzerland;
- he/she becomes self-employed and is no longer subject to compulsory occupational pension provision;



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- c. the balance of the vested benefits account is less than the account holder's projected annual contributions to the previous pension scheme.

<sup>2</sup> Where a portion of the pension is paid out annually under Art. 124a ZGB in the event of divorce, the payment referred to in para. 1 may not be made in cash.

<sup>3</sup> Cash payment in accordance with para. 1 shall not be permitted if the insured person permanently leaves Switzerland to live in the Principality of Liechtenstein. The insured person may not request cash payment of the compulsory part of the vested benefits (BVG part) if he/she remains subject to compulsory insurance cover for the risks of old age, death and disability in accordance with the laws of an EU/EFTA member state.

#### Proof

<sup>4</sup> The insured person must submit the following proof:

- a. If permanently leaving Switzerland – deregistration at the Residents' Registration Office;
- b. If taking up self-employed activity – confirmation from the relevant AHV compensation fund.
- c. The Institution may accept equivalents and may request additional documents if required.

### Art. 8 Payment of the vested benefits upon retirement

#### Time of payment

<sup>1</sup> The vested benefits shall be paid to the insured person no later than five years after he/she has reached the AHV retirement age. Upon the insured person's request, they may also be paid out up to five years before the insured person reaches the AHV retirement age.

#### Pension from divorce settlement

<sup>2</sup> Where the vested benefits are derived from a payment under a divorce settlement or a lifelong pension (Art. 124a ZGB) resulting from a divorce, the insured person may request that the accrued savings be converted into a pension. The entitlement to benefits is based on the Institution's "Rules on pensions from a divorce settlement".

### Art. 9 Payment of vested benefits in the event of disability

Upon the insured person's request the vested benefits shall be paid out if the insured person is receiving a full disability pension from the Federal Disability Insurance.

### Art. 10 Payment of the vested benefits in the event of death

#### Beneficiaries

<sup>1</sup> If the insured person dies, the following persons shall be entitled to the vested benefits, independently of the inheritance law:

- a. The surviving spouse; the children of the insured person who are entitled to an orphan's pension in accordance with the Swiss Occupational Pensions Act;
- b. In the absence of the above, natural persons who were maintained to a significant extent by the insured person, or the person who cohabited with the insured person in a shared domicile on an uninterrupted basis in the final five years prior to the insured person's death or is required to maintain one or more joint children;
- c. In the absence of the above, the children of the deceased insured person who are not entitled to an orphan's pension in accordance with the Swiss Occupational Pensions Act;
- d. In the absence of the above, the parents of the deceased;
- e. In the absence of the above, the siblings of the deceased;
- f. In the absence of the above, the remaining statutory heirs, to the exclusion of the



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common purse.

<sup>2</sup> The benefit under paragraph 1 letter b above presupposes that both partners are unmarried and not related to one another to a degree that would prohibit marriage.

Nomination of beneficiaries <sup>3</sup> The insured person may give more detailed descriptions of the beneficiaries' entitlements and extend the group of persons under paragraph 1 letter a by adding those under letter b.

Division of the vested benefits <sup>4</sup> The entire vested benefits shall be paid to the beneficiary. If there are multiple beneficiaries the lump sum shall be divided equally between them.

Reversion to the Institution <sup>5</sup> In the absence of any beneficiaries under paragraph 1 the vested benefits shall revert to the Institution.

### Art. 11 Consent of the spouse

If the insured person is married, payment of the vested benefits and the creation and subsequent justification of any real estate lien, shall only be permitted with the written consent of the spouse. The Institution may request notarisation of the signatures.

### Art. 12 Assignment and pledging

Assignment <sup>1</sup> The vested benefits may not be assigned or pledged before they become payable, with the exception of a pledge for the purpose of financing residential property for personal use.

Pledge <sup>2</sup> Vested benefits that have been pledged shall be paid out only with the written consent of the pledgee.

### Art. 13 Promotion of home ownership

The vested benefits may be pledged or withdrawn for the purposes of financing residential property for personal use up to five years prior to attainment of the AHV retirement age. The Institution has produced a separate information sheet on early withdrawals and pledges.

### Art. 14 Costs

Costs <sup>1</sup> To cover administrative expenses, the following costs associated with the promotion of home ownership shall be billed to the insured person:

- a. For early withdrawals for home ownership CHF 300;
- b. For the realisation of pledges for home ownership CHF 300;
- c. For pledges for home ownership CHF 100.

Adjustments <sup>2</sup> The costs shall be set by the Board of Trustees. They may be reviewed and adjusted to reflect new circumstances at any time. Any changes shall be notified to the insured persons before they take effect.

### Art. 15 Information to insured persons

Insured persons shall receive an annual account statement listing the statutory amounts reported to the Institution. Account statements shall be deemed to have been delivered when sent to the account holder's last known address.



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**Art. 16** Transfer to the Guarantee Fund

Vested benefits shall be transferred to the Guarantee Fund ten years after the insured person reaches AHV retirement age.

**Art. 17** Place of fulfilment

The place of fulfilment shall be the place of residence of the beneficiaries or their authorised agents in Switzerland or an EU/EFTA member state. In the absence of such a place of residence, the vested benefits shall be payable at the registered office of the Institution. They shall be paid in Swiss francs.

**Art. 18** Place of jurisdiction

In the event of disputes between the Institution and the beneficiaries, the place of jurisdiction shall be the Swiss registered office of the Institution or the Swiss place of residence of the beneficiaries.

**Art. 19** Amendments to the Rules

The Board of Trustees may amend these rules at any time.

**Art. 20** Definitive text

The German version of the rules shall prevail

**Art. 21** Entry into force

These Rules were approved by the Board of Trustees on 1 December 2017. They shall come into force on 1 January 2018 and replace all previous versions.