

Information sheet “Calculation of purchase of retirement pension reduction in the event of early retirement (Art. 18 Pension Fund Regulations)”.

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General

This information sheet provides an overview of the provisions set out in Profond’s pension regulations in connection with the subject of “Purchase; buy-in of the retirement pension reduction in the event of early retirement”. In particular, the calculation of the necessary purchase amount is presented in a transparent manner.

Early retirement is possible from the earliest possible retirement age (age 58). In the event of early retirement, the retirement pension will be reduced.

Calculation of the purchase amount of the retirement pension reduction for early retirement

The retirement assets available at the time of early retirement as well as the regulatory conversion rate corresponding to the retirement age set are decisive for the calculation of the reduced pension.

The reduction of the retirement pension in the event of early retirement may be waived in whole or in part by the payment of a purchase amount if it is certain that the purchase options pursuant to Art. 43 have been exhausted.

When calculating the maximum possible purchase amount of the pension reduction, the following terms and contexts must be taken into account:

- a) Target retirement assets: Maximum possible retirement assets on the first day of the month after reaching the reference age. It corresponds to the sum of the retirement credits provided for in the pension plan, with interest at the purchase interest rate in accordance with Art. 44, up to the first of the month after the reference age, assuming that the insured person is insured with the current insured savings salary from the earliest possible time in accordance with the pension plan (start of savings insurance).

- b) Target retirement pension: Target retirement assets multiplied by the regulatory conversion rate at the reference age.
- c) Target retirement credit upon early retirement: sum of the retirement credits provided for in the pension plan, with interest at the purchase interest rate in accordance with Art. 44, up to the age upon early retirement, assuming that the insured person is insured from the earliest possible point in time in accordance with the pension plan (start of savings insurance) with the currently insured savings salary.
- d) Target retirement pension at the start of early retirement : Target retirement assets at the start of early retirement multiplied by the regulatory conversion rate at the start of early retirement.
- e) Reduction of the retirement pension: Difference between the target retirement pension (b)) and the target retirement pension at the start of early retirement (d)).

The maximum possible purchase amount to prevent the reduction of the pension corresponds to the reduction of the retirement pension (subparagraph e)) multiplied by the cash value factor according to the calculation example on the next page. If the purchase; buy-in takes place before early retirement, the purchase amount is discounted at the technical interest rate pursuant to Art. 44 para. 2.

If the retirement savings capital on the calculation date is greater than the maximum possible retirement assets, this surplus will be deducted from the maximum purchase amount.

Present value factors / discount factors (valid from 2024)

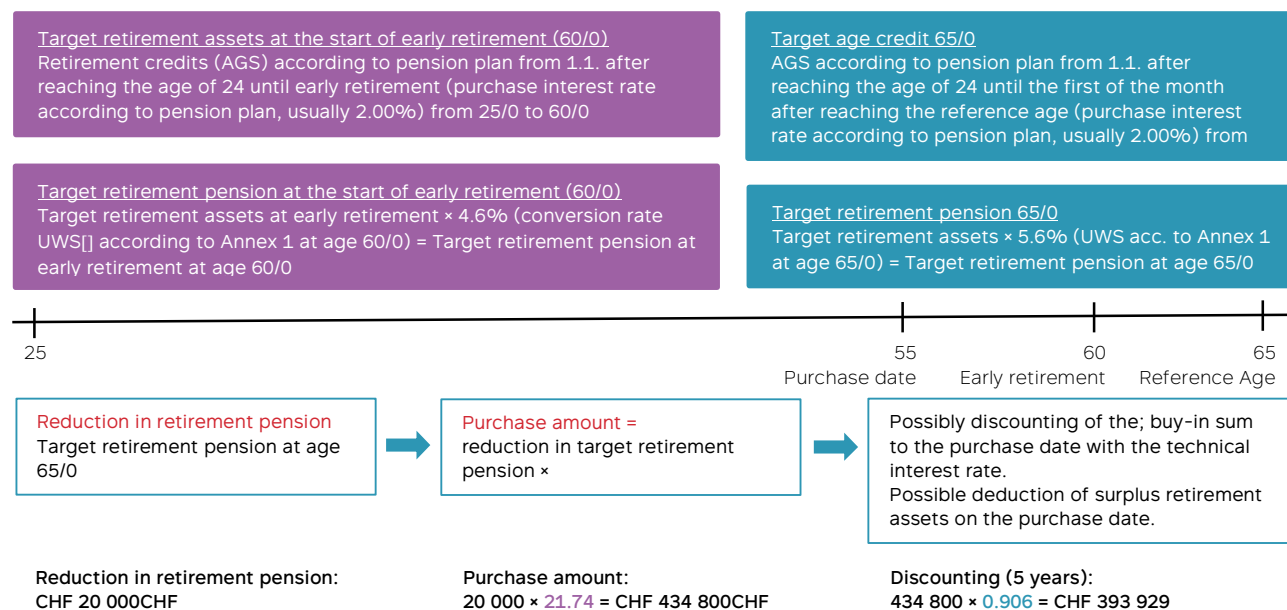
Desired Retirement age	Men and women Present value factor
58	23.81
59	22.73
60	21.74
61	20.83
62	20.00
63	19.23
64	18.52
65	17.86

Discount factors	
Number of years	Number of years
1	0.980
2	0.961
3	0.942
4	0.924
5	0.906
6	0.888
7	0.871
8	0.853
9	0.837
10	0.820
11	0.804
12	0.788
13	0.773
14	0.758
15	0.743
16	0.728
17	0.714
18	0.700
19	0.686
20	0.673

Discount factors	
Number of years	Factors
21	0.660
22	0.647
23	0.634
24	0.622
25	0.610
26	0.598
27	0.586
28	0.574
29	0.563
30	0.552
31	0.541
32	0.531
33	0.520
34	0.510
35	0.500
36	0.490
37	0.481
38	0.471
39	0.462
40	0.453

Calculation example

Man / purchase of pension reduction for early retirement at age 55/0
Desired retirement age: 60/0 (in 2029)



Desired Pension Age	Men & Women Present Value Factor
58	23.81
59	22.73
60	21.74
61	20.83
62	20.00
63	19.23
64	18.52
65	17.86

Discount factors	
Number of years	Factors
1	0.980
2	0.961
3	0.942
4	0.924
5	0.906
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