Profond

Pension Fund Regulations

January 2025

Should legal differences arise between the original and the translated version, the German version will prevail.

Table of Contents

Contents Page

1. General provisions and definitions

Art. 1 Name and purpose

1 A registered employee benefit foundation has been established under the name “Profond Pension Fund” (hereinafter referred to as “Profond”). The purpose of Profond is to protect the employees of institutions and companies that have entered into an affiliation agreement with Profond and their dependants and surviving dependants pursuant to the provisions of these regulations, the applicable affiliation agreement and its integral components, and the BVG/LPP, against the economic consequences of old age, death and disability.
2 The rights and obligations of the beneficiaries of Profond are governed by these regulations and by the Pension Plan applicable to them, which forms an integral component of these regulations. At the pension fund level, the Pension Plan defines in particular the group of insured employees, the amount of insured salary (savings and risk component of the insured salary), the amount of the pension benefits and the financing.

Art. 2 Affiliation agreement

1 The employer’s rights and obligations are governed by the affiliation agreements and regulations, and by the Pension Plans applicable to them. Deviating regulatory and statutory provisions remain reserved.
2 Profond manages a separate pension fund for every affiliated employer.
3 Separate accounts are kept for every affiliation if this is required to monitor compliance with the statutory provisions and to prove the contribution of any special assets.
4 Special assets, at the level of the pension fund, such as employer contribution reserves, uncommitted funds, etc. are only used in favour of the employer in question and its insured persons.

Art. 3 Relationship to the BVG/LPP

1 Profond provides the minimum benefits required under the BVG/LPP as part of the mandatory pension plan.

Art. 4 Liability

Profond denies any liability for the consequences of a breach of the obligations of the affiliated companies and insured and reserves the right to claim damages for any resulting loss and to demand reimbursement of benefits paid out in error.

Art. 5 Insured persons; enrolment conditions

1 Notwithstanding Art. 3, Profond insures all employees of the affiliated companies that meet the enrolment conditions set out in the Pension Plan.
2 Persons who are partially disabled on enrolment with Profond are only insured for that part of their income that derives from their remaining capacity for work pursuant to Art. 15 BVV 2. The limits are reduced accordingly pursuant to Art. 4 BVV 2.
3 The following are not insured (or no longer insured):

- Employees until 31 December of the year of their 17th birthday
- Persons who have not drawn a salary for at least three months (with the exception of unpaid leave)
- Employees who receive a salary that does not exceed three-quarters of the maximum retirement pension payable under the AHV; unless otherwise stipulated in the Pension Plan
- Employees who have already reached or exceeded the reference age pursuant to Art. 11 (with the exception of Art. 20).
- Employees with a temporary employment contract of three months or less. Employees with temporary employment contracts or assignments will be insured if:
  a) the working relationship is extended past three months (without interruption) from the date on which the extension of the contract was agreed
  b) several consecutive positions are held with the same employer, or assignments are carried out for the same lending company that last a total of longer than three months, with no interruption exceeding three months. In this case, the employee is insured from the beginning of the fourth overall working month onwards. However, if the parties agree prior to initial commencement of work that employment or the assignment duration will exceed three months, the employee is insured right from the beginning of the working relationship.
- Employees who are not or are unlikely to be employed in Switzerland on a permanent basis and who are adequately insured in a non-EU/ non-EFTA country, provided that they request to be exempted from enrolment in Profond
- Persons who are at least 70 per cent disabled as defined in Art. 16 ATSG
- Employees who took early retirement while insured by Profond and whose retirement benefits as defined by the regulations are at least the same as the BVG/LPP minimum benefits at the reference age.
- Persons who pursuant to Art. 26a BVG/LPP are receiving provisional continued insurance cover from another pension fund.

4 On application of the Employee Pension Scheme Committee and in agreement with the employer, employees with an annual salary of less than three quarters of the maximum AHV retirement pension can be insured, provided they meet the remaining enrolment conditions.
5 Persons who do not qualify as employees of an affiliated company are not insured, not even if they were insured with Profond previously. Deviating regulatory provisions remain reserved.
6 On application of the Employee Pension Scheme Committee, persons not subject to insurance with Profond who exercise a management function (e.g. seat on board of directors) at a company affiliated with Profond can be insured to the same extent as employees in Profond, provided they meet the remaining prerequisites of these Regulations.

Art. 6 Beginning of the pension relationship

The pension relationship begins on the date on which the employment relationship starts, or on which entitlement to a salary first arises, or in any case when the insured starts out for work, or on the date on which the enrolment conditions set out in the Pension Plan have been fulfilled.

Art. 7 End of the pension relationship

1 The pension relationship ends as a result of the termination of the employment relationship or if the enrolment conditions for the Pension Plan no longer apply. If an insured person has not earned a salary for at least three months, a termination will be arranged and the vested benefits are paid (excluding unpaid leave). This termination is made retroactive to the last day of the month on which the salary was paid for the final time. The pension relationship at Profond ends on the same date. The

additional cover period for the risks of death and disability begin on the first day of the month after the salary is paid for the final time.
2 If the insured is partially disabled, the pension relationship ends with regard to the extent of their remaining capacity for work, provided that the employment relationship was terminated or they no longer fulfil the enrolment conditions.
3 The insured person remains insured against the risks of death and disability for one month after the termination of the pension relationship. If they join another pension fund before this date, the new pension fund must pay benefits.
4 Insured persons whose employment relationship is interrupted while they are abroad for training purposes or for other reasons (unpaid leave etc.) can, with the consent of their employer, apply to continue the pension relationship with Profond for an agreed period of at least one month up to a maximum of two years. During this time, Profond is entitled to the total contributions required under the regulations to continue the pension relationship (capital redemption and risk insurance, risk insurance or interruption of insurance).

Art. 7a Voluntary continuation of insurance for employees in the primary construction industry (Stiftung FAR, RESOR or VRM)
1 Insured persons who leave the compulsory insurance because they receive a bridging pension from a foundation mentioned in the title for flexible retirement in the construction industry can continue the savings process at Profond during the time they receive a bridging pension (FAR, RESOR or VRM).
2 If the savings process is continued, insurance for death and disability will be discontinued with the exception of the lump sum payable at death as detailed in Art. 30 of the regulations. 2. The eligible persons are, independently of the law of succession, the dependants as specified in Art. 30 para.
3 For the duration of the bridging pension, the annual retirement credits will be defined and financed by the foundation and transferred to Profond. The foundation is liable to pay the contributions. The annual retirement credits will be credited to the retirement account as a single premium.
4 Recipients of a bridging pension from the foundation can only take partial or early retirement under these regulations until the date on which the entitlement to a bridging pension from the foundation commences.
5 If there is a lump-sum withdrawal or a pension is drawn before the commencement of the entitlement to a bridging pension from the Stiftung FAR as of 1 April 2019 onwards or for the duration of this period, the savings contributions from Stiftung FAR will be lost.
6 Insured persons must assert their claims with the Stiftung FAR, RESOR or VRM themselves.

Art. 7b Continuation of insurance if the insured person leaves after reaching age 58
1 An insured person who leaves the insurance after reaching age 58 because the employment relationship has been terminated by the employer may request that the insurance be continued at Profond at the current level. At the request of the insured person, the pension plan will be continued until the insured person reaches the reference age at the latest.
2 The insured person must request the continuation of the insurance in writing before the end of the employment relationship. They must provide the pension fund with proof of the termination of the employment relationship by the employer before the end of the employment relationship, and at the same time specify whether they want to continue the savings and risk contributions or just the risk contributions. The insured person may provide written notice of the termination of continuation of the savings contributions after the commencement of the continued insurance, whereby this can be resumed for the future following termination. The vested benefits remain in the pension fund, even if the retirement provision is no longer being accumulated.
3 The previous AHV salary will be continued unchanged, whereby the currently valid statutory and regulatory provisions will be applied. For insured persons with fluctuating income, the average salary of the employment period, but no more than the average salary of the past 12 months, will continue to be insured. The insured person may request that a lower salary be insured than the previous AHV salary for the entire pension provision (savings and risk insurance), whereby the risk salary must correspond to at least three quarters of the maximum AHV retirement pension. A lower insured salary can be increased again for the future at a later time.
4 The regulatory employee and employer contributions (including the contribution for administration costs) must be fully paid by the insured person. The contributions are paid quarterly. The currently valid contribution rates according to the employer's pension plan apply, whereby the former employer is obliged to inform the insured person of regulatory changes in advance. The insured person must also pay any recapitalisation contributions.
5 If the employer's affiliation agreement with Profond is terminated, this also affects the insured person's continued insurance with Profond.
6 If the insured person joins a new pension fund, Profond must transfer the vested benefits in the amount that can be used to purchase the full regulatory benefits to the new pension fund. The salary that continues to be insured at Profond and the level of employment are reduced to the same extent. As soon as more than two-thirds of the vested benefits have been used to purchase the full regulatory benefits at the new pension fund, the continued insurance with Profond ends.
7 The continued insurance also ends when the insured person reaches the reference age, retires early, becomes disabled or dies.
8 The insured person can make an early withdrawal or pledge for the purpose of home ownership during the term of the continued insurance as well as opt for early or partial retirement. In the event of partial retirement, the insured AHV salary will be reduced in line with the level of partial retirement. Once the continued insurance has lasted for more than two years, an early withdrawal or pledge is no longer possible and the retirement benefits must be drawn as a pension.
9 The insured person may terminate the continued insurance at any time to the end of the next month. If risk contributions are outstanding, Profond can terminate the continued insurance to the beginning of the outstanding contributions.

Art. 7c External membership
1 An insured person leaving Profond can continue the pension provision in the framework of the statutory and regulatory options (external membership) provided that they are fully capable of working at the time of termination of the employment relationship.
2 The insured person must provide written notice of the external membership before the end of the employment

relationship. They must inform the pension fund before the end of the employment relationship whether they want to continue the savings contributions only or both savings and risk contributions. The selected solution cannot be changed during the term of the external membership.

3 The previous AHV salary will be continued unchanged. For insured persons with fluctuating income, the average salary of the employment period, but no more than the average salary of the past 12 months, will continue to be insured.

4 The regulatory employee and employer contributions (including the contribution for administration costs) must be fully paid by the insured person. The contributions are paid quarterly. The insured person must also pay any recapitalisation contributions.

5 The external membership will end when the insured person transfers to the pension fund of a new employer. when the insured person reaches the reference age, retires early, becomes disabled or dies.

6 The insured person can make a purchase, an early withdrawal or pledge for the purpose of home ownership during the term of the external membership and opt for early or partial retirement subject to the other regulatory provisions.

7 The insured person may terminate the continued insurance at any time to the end of the next month. If contributions are outstanding, Profond can terminate the continued insurance retroactively to the beginning of the outstanding contributions.

Art. 8 Medical check-up; provisos applying to insurance cover

1 On request of Profond, the insured must complete a health questionnaire.

2 Profond may, at its own costs, demand further documents or request the insured to undergo a medical examination by a medical officer appointed by Profond. If benefits are substantially increased, Profond is entitled to request a medical check-up with regard to these additional benefits.

3 If the insured represents an increased risk, Profond may issue a proviso concerning risk benefits for certain medical conditions within three months of receiving the medical or other documents relevant for assessment. No health reservation is imposed on the benefits of the mandatory occupational pension and the pension protection acquired with the transferred vested benefits. Where a proviso has been made with the previous pension fund, the lapsed proviso period with the previous pension fund is deducted from the new proviso period.

4 The proviso only remains valid for a maximum of five years from the beginning of the pension relationship. For self-employed persons who are voluntarily insured, the proviso is determined by the BVG/LPP.

5 If risk benefits are claimed during the period of the health restriction for symptoms caused entirely or partly by a condition subject to the health restriction, the benefits or prospective benefits are reduced to the minimum benefits payable under the BVG/LPP. This restriction remains valid until the obligation to pay benefits for this specific case ends, i.e. for longer than the proviso period. If risk benefits are claimed before a medical check-up could be carried out, the Foundation is entitled to restrict the risk benefits on a life-long basis to the minimum benefits under the BVG/LPP for illnesses or accident sequelae from which the insured suffered before starting the current employment relationship or to which they are susceptible due to earlier conditions as well as for existing illnesses or physical defects.

6 If the insured person is not fully capable of working at the time insurance cover commences and the cause of this partial incapacity for work leads to disability, an increase in the level of disability or death, the insured has no claim to benefits under these regulations.

7 If false or incomplete answers are given to the risk assessment questions asked upon enrolment, Profond is entitled to terminate the supplementary cover provision component and to reduce pension benefits to the minimum amounts payable under the BVG/LPP.
Any excessively paid benefits must be repaid. The right of termination lapses six months after Profond receives notification of the decision on the part of the Federal Disability Insurance Office to grant a pension.

8 If the pension benefits are limited to the BVG/LPP minimum benefits as a result of a reservation or a breach of the duty of disclosure, in the disability case, the entire disability pension corresponds to the retirement assets saved up to the onset of disability and not subject to a health restriction plus the sum of the BVG/LPP retirement credits for the years missing up to the reference age, without interest, multiplied by the regulatory conversion rate at the reference age (see Annex 1). In the event of death, the spouse's or partner's pension amounts to 60 per cent, the orphan's pension 20 per cent of the disability pension calculated in this way. In the event of a breach of the duty of disclosure, there is no entitlement to a lump sum payable at death in accordance with Art. 30 para. 1.

Art. 9 Salary definitions; change in the level of employment

1 The qualifying annual salary is calculated on the basis of annual income as determined in accordance with AHV standards. The qualifying annual salary serves as the basis for calculating the insured savings and risk components of the salary.

2 Occasional salary components are only taken into account if this is specified in the Pension Plan. "Occasional salary components" are understood to mean only the bonus (bonus payments, loyalty and performance bonuses). Other occasional salary components are not taken into account. Nor are salary components paid by employers who are not affiliated with Profond insured. If the insured person receives salaries from several employers affiliated with Profond, each employment relationship is treated separately.

3 The qualifying annual salary is determined for the entire year. If the insured joins Profond during the course of a calendar year, or in the event of salary changes, the current monthly salary is extrapolated to an annual salary.

4 If the salary fluctuates, the qualifying annual salary can be calculated on the total earned during the past twelve months or on the basis of the annual salary usually paid to employees working in this economic sector if no specific data is available. The qualifying annual salary of self-employed persons may be defined as the average income over the past three years.

5 Risk benefits that fall due before retirement age are calculated on the basis of the insured risk component of the annual salary. The latter is specified in the Pension Plan.

6 Risk contributions are calculated on the basis of the insured risk component of the salary. The latter is specified in the Pension Plan.

7 The retirement credits are calculated on the basis of the insured savings component of the salary. The latter is specified in the Pension Plan.

8 The maximum qualifying annual salary is limited in accordance with Art. 79c BVG/LPP.

9 Repealed
10 If the qualifying annual salary temporarily drops due to illness, an accident, short-time work or similar reasons, the previous savings and risk components of the salary remain insured for the period provided for in Article 8 para. 3 BVG/LPP, unless the insured requests a reduction in the relevant annual salary.
11 If the insured person becomes at least 40 per cent disabled, the occupational benefits insurance is split into an active part (equalling the remaining capacity for work) and a passive part (equalling the level of disability). The insured annual salaries for the active part of the insurance are calculated in accordance with Paras. 1 to 7 above. Insured persons whose annual salary is reduced by a maximum of 50 per cent after reaching age 58 can maintain their pension provision at the level applicable to their previous qualifying annual salary.
12 Insured persons whose annual salary is reduced by a maximum of 50 per cent after reaching age 58 can maintain their pension provision at the level applicable to their previous qualifying annual salary. The previous qualifying annual salary can continue to be insured but only for that portion of the pension cover for which no retirement benefits are being drawn, and, at a maximum, until the insured reaches the reference age. Insured persons themselves will have to pay the difference between the previous and new qualifying annual salary for both the employee´s and the employer´s contributions. The employer may assist in funding the contributions on a voluntary basis.

Art. 10 Age

The determining age that applies for the calculation of the contributions and retirement credits is the difference between the current calendar year and the year of birth of the insured.

Art. 11 Reference age

1 The regulatory reference age (referred to as the reference age in the regulations) corresponds to the AHV reference age.
2 Early retirement is possible from age 58.
3 The receipt of the retirement benefits can only be postponed until the end of employment, but at most until the age of 70.
4 An employee retires on the first day of the month following the birthday on which they reach the reference age or the applicable age for early or deferred retirement (referred to as the retirement age in the regulations).
5 Entitlement to retirement benefits begins on the first day of the month following the month of retirement.

Art. 12 Information and notification requirements

1 Profond, all affiliated employers, insured persons and beneficiaries are obliged to provide the full information and proof required for implementing the pension relationship, in particular when enrolling with the pension fund, if incapacity for work occurs, while receiving benefits (e.g. information on effective remaining income from employment or an increase in such, loss of a child’s benefit), in the event of death, changes in marital status, or the insured’s obligation to support dependants (marriage, death, divorce, etc.).
2 Upon Profond’s request, pensioners must submit official proof of life and/or marital status.
3 Profond may require disabled persons to submit a certificate from a medical doctor recognised by Profond.
4 Recipients of child’s benefits and orphan’s allowances who wish to claim benefits past the age of 18 must submit a declaration from their training or education institution that confirms the type and duration of their training or education

Art. 13 Data protection

When processing the personal data for insured persons, Profond shall observe the statutory provisions (Art. 85a-87 BVG/LPP and DSG). Detailed information on data protection can be found at https://www.profond.ch/en/data-protection-and-privacy.

Art. 14 Registered partnership

1 Registered partners within the meaning of PartG are equated with married persons for the purposes of these regulations. They have the same rights and obligations as married persons.
2 In the event of the insured’s death, the registered partner shall be treated the same as a spouse.
3 The dissolution of a registered partnership by a court is equated with divorce.

2. Benefits

Profond provides the following benefits upon retirement or in the event of death or disability:
Retirement benefits
Retirement pension (Art. 17 and 17a)
Early retirement; purchase of reduced pension benefits (Art. 18)
Partial retirement (Art. 19)
Deferred retirement (Art. 20)
Lump-sum payment (Art. 21)
AHV bridging pension (Art. 22)
Pensioner’s child allowance (Art. 23)
Surviving dependants’ benefits
Spouse’s pension (Art. 25)
Life partner’s pension (Art. 27)
Divorced spouse’s pension (Art. 28)
Orphan’s allowance (Art. 29)
Lump sum payable at death (Art. 30)
Disability benefits
Disability allowance (Art. 31)
Child’s disability pension (Art. 32)

Art. 15 Retirement credits and retirement assets

1 A separate retirement account is kept for every insured who fulfils the conditions of the Pension Plan.
The retirement account is credited with:
- the retirement credits
- the vested benefits brought into the pension fund from previous employment relationships
- one-off contributions as a result of divorce, the repayment of early withdrawals for promotion of home ownership, purchases of additional benefits, additional credits, the allocation of uncommitted funds, etc.
- interest.

The retirement assets equal the balance of the retirement account.
2 The retirement assets are reduced by:
- early withdrawals under the promotion of home ownership scheme
- partial payouts as a result of a divorce or other.

3 The amount of the retirement credits is specified in the Pension Plan.

4 Interest is calculated on the balance of the retirement account at the end of the previous year and is credited to the retirement account at the end of each calendar year.
5 If the insured person leaves the pension relationship during the year or enters retirement, interest for the year in question will be paid on the savings capital up to this date at the BVG/LPP minimum interest rate. This does not apply in cases where the insured person transfers to a new pension relationship with a company affiliated with Profond.

Art. 16 General conditions for retirement benefits

1 Once the insured reaches the earliest possible retirement age, they are entitled to retirement benefits, provided that they stop working in their previous job entirely or partly.
2 At the time of retirement, the insured may choose whether to draw the accrued retirement assets in the form of a lifelong retirement pension or whether to take all or part of the savings in the form of a lump sum.
3 Upon reaching the reference age, the insured will be fully entitled to retirement benefits.

Art. 17 Retirement pension

1 The retirement pension corresponds to the individual retirement assets actually accrued, multiplied by the regulatory conversion rate that applies at retirement age (see Annex 1).
2 If the person receiving a retirement pension dies within the first three years of retirement, a lump sum payable at death is paid. This consists of three annual retirement pensions minus the retirement pensions already paid out and minus the accrued spouse's or partner's pensions in accordance with Art. 25 or Art. 27 from the date of death until the end of the first three years. The survivors are entitled to claim in accordance with Art. 30 para. 2 et seqq.

Art. 17a Retirement pension with capital protection

1 The insured person can select a retirement pension with capital protection in the event of their death in the first ten years following retirement. In the case of retirement after the age of 65, ~~the~~ capital protection lasts until the age of 75. The declaration must be submitted in writing to Profond prior to effective retirement.
2 The capital protection consists of a lump sum payable at death in the amount of the retirement assets annuitised on retirement, less the retirement pensions already paid out, excluding interest. If a spouse's or partner's pension becomes due in accordance with Art. 25 or Art. 27, the lump sum payable at death defined above will be reduced by 60%.
3 The conversion rate is reduced in accordance with the table in Annex 2 for the whole of the person's life. If the reduction of the conversion rate leads to a breach of the BVG/LPP, the insured person cannot choose a retirement pension with capital protection. The selection of a retirement pension with capital protection excludes the lump sum payable at death in accordance with Art. 17 para. 2.
4 The dependents are eligible for lump sums payable at death in accordance with Art. 30 para. 2 ff.

Art. 18 Early retirement (ER), buy-in of reduced pension benefits

1 It is possible to take early retirement when the insured person reaches the earliest possible retirement age.
2 If early retirement is taken, the retirement pension will be reduced. The reduced retirement pension is calculated on the basis of the retirement assets available at the time of early retirement and the regulatory conversion rate corresponding to the early retirement age.
3 A reduction of the retirement pension upon early retirement may be fully or partially avoided through a buy-in if it is ensured that the purchase possibilities pursuant to Art. 43 have been exhausted. Profond shall determine the buy-in amount on request.
4 A separate, individual interest-bearing account (ER account) is opened and maintained for each insured person. The buy-in amount for financing the pension reduction and the interest pursuant to Art. 44, para. 5 are credited to this account.
5 The balance of the ER account is converted into a retirement pension pursuant to Annex 1 and paid out at the start of the actual retirement. If the insured person does not take early retirement despite the buy-in, no further retirement credits will be credited to the retirement assets once the target retirement pension is exceeded by at least five per cent. The assets in the ER account will continue to accrue interest pursuant to Art. 44, para. 6.
6 If the insured leaves before the reference age, the balance of the ER account will be paid out as vested benefits.
7 If the insured person is entitled to a disability allowance, the account will be maintained and the balance is paid out as a lump sum when the insured reaches the reference age.

Art. 19 Partial retirement

1 The insured person can receive the retirement benefits as a pension or in stages in the form of a lump-sum in up to three steps. The amount of the retirement benefits received must in each case correspond to the percentage salary reduction.
2 The first partial payment must be at least 20 per cent of the retirement benefits. If the remaining annual salary falls below the amount that is necessary for insurance according to the pension plan, the entire retirement benefits must be received.
3 The insured person can choose more than three partial steps for receiving the retirement benefits as a pension and a lower minimum share for the first partial payment. The receipt of the retirement benefits in the form of a lump sum is permitted in a maximum of three steps. The clarification of tax deductibility is a matter for the insured person.
4 To the extent of the entitlement to a disability allowance under these regulations, early retirement is not possible.
5 If the insured becomes disabled as defined in the regulations after taking partial early retirement, they remain entitled to disability benefits under the part-time employment relationship still insured with Profond.
6 The retirement benefits received will be debited proportionately from the compulsory cover and supplementary cover. The supplementary portion will be debited proportionately from the retirement account (supplementary cover), the ER account (Art. 18) and the AHV bridging pension account (Art. 22).

Art. 20 Deferred retirement

1 If, with their employer's agreement, the insured continues to work past the reference age (Art. 11 para. 3), the retirement pension shall correspond to the accrued retirement assets, multiplied by the conversion rate that corresponds to the age at which the insured retires (see Annex 1).
2 Insurance cover will continue to the extent of the remaining degree of employment.

3 If the insured continues to work beyond the reference age becomes unable to work, they will have no entitlement to any waiver of contributions. However, the insured retirement benefit will become due upon cessation of gainful employment, or at the latest upon reaching the maximum possible retirement age (Art. 11 Para. 3).

Art. 21 Lump-sum payment

1 If a lump sum is drawn, the retirement pension and co-insured benefits are reduced by the amount of the lump sum.
2 If the insured would like to draw the retirement assets or a portion thereof as a lump sum, they must submit a written declaration to Profond before the effective retirement date. Profond may, in special cases, accept the written declaration even after effective retirement, as long as no pension has yet been processed.
3 If the insured is married, this declaration is only valid if the spouse has given their written consent and the spouse's signature has been either officially authenticated.
4 Ongoing disability allowances will be replaced by a retirement pension upon reaching the reference age. At this point, a recipient of a temporary disability allowance may take all or part of the retirement pension in the form of a lump sum. If the retirement pension is reduced in accordance with Art. 34 of these regulations, the lump-sum payment will be reduced by the same proportion. In other respects, paragraphs 2 and 3 of this provision shall apply mutatis mutandis.

Art. 22 AHV bridging pension

1 Insured who retire early and who are receiving neither an AHV retirement pension nor a whole IV pension from the Swiss Federal Disability Insurance may request Profond to pay them an AHV bridging pension. If the employer co-finances the AHV bridging pension, this must be specified in the Pension Plan.
2 If an AHV bridging pension is drawn, the pension or lump-sum payment is reduced on the basis of an actuarial calculation, unless the pension or lump-sum payment was previously financed in full in accordance with the actuarial principles.
3 The AHV bridging pension must not exceed the applicable maximum AHV retirement pension at the time of retirement. Any partial disability allowance from the Swiss Federal Disability Insurance will also be included in the calculation. Arrangements which differ from this must be specified in the Pension Plan.
4 Before the first pension payment, the insured determines the duration of the AHV bridging pension. If the employer is participating in the costs, the insured person must consult the latter beforehand. In all cases the bridging pension is paid at a maximum until the insured reaches the AHV reference age.

Art. 23 Pensioner's child allowance

1 Recipients of a retirement pension are entitled to a pensioner's child allowance for every child that would be entitled to a regulatory orphan's allowance on the death of the pensioner.
2 The pensioner's child allowance is paid from the same date as the retirement pension. It lapses when the underlying retirement pension lapses, or at the latest when the child is no longer entitled to a regulatory orphan's allowance.
3 The amount of the annual pensioner's child allowance is 20 per cent of the retirement pension per child.

Art. 24 General conditions for death benefits

1 A claim to death benefits arises if the insured
- was insured at the time of their death or upon the occurrence of incapacity for work, the cause of which led to death; or
- was at least 20 per cent but no more than 40 per cent disabled as the result of a congenital defect at the time when they started working and was insured for at least 40 per cent at the time that the level of the incapacity for work, the cause of which led to death, increased; or
- became disabled while still a minor and was therefore at least 20 per cent but no more than 40 per cent disabled at the time when they started working and was insured for at least 40 per cent at the time that the level of the incapacity for work, the cause of which led to death, increased; or
- received a retirement or disability allowance from Profond at the time of death.

These benefits will be paid in the event of death as a result of illness or accident.
2 Death benefits are generally paid out in the form of a pension. A lump sum may only be paid out in cases expressly provided for in the Regulations.

Art. 25 Spouse's pension

1 The spouse of a deceased insured is entitled to a lifelong spouse's pension. Registered partners have the same legal status as spouses.
2 The entitlement to a spouse's pension begins the month following the insured's death, but at the earliest with the month in which for the first time the deceased spouse's full salary, salary replacement benefits or pension is not paid.
3 The entitlement to a spouse's pension lapses:
- if the surviving spouse remarries or enters into a registered partnership
- if the surviving spouse dies.

4 If the surviving spouse is more than ten years younger than the deceased insured, the spouse's pension is reduced by three per cent of the full amount for each year or part of a year by which the eligible spouse is more than ten years younger than the deceased insured – but not by more than 50 per cent in total. However, the surviving spouse is at all times entitled to the minimum benefits payable under the BVG/LPP.
5 The amount of a spouse's pension for the spouse of a deceased insured person corresponds to the BVG/LPP mandatory insurance if the insured person had exceeded the reference age at the time of the marriage.
6 The amount of the spouse's pension upon the death of an employed insured before they reach the reference age is defined in the Pension Plan. The eligible spouse may draw this pension as follows:
a) as a pension or
b) as a lump-sum payment (current value of the total spouse's pension that has been reduced due to overcompensation) or
c) partially as a pension and partially as a lump-sum payment (current value of the pension that has not been drawn due to overcompensation)

7 After the death of an insured who continued to work past the reference age (deferred retirement), the amount of the spouse's pension is equal to 60 per cent and the orphan's allowance 20 per cent of the retirement pension that would have been paid out to the deceased insured person at the time of their death.
8 The amount of the spouse's pension upon the death of an insured recipient of a retirement pension or disability

allowance is defined in the Pension Plan. Unless otherwise provided for in the Pension Plan applicable at the time of death of an insured recipient of a retirement or disability allowance, the spouse's pension shall equal 60 per cent and the orphan's allowance 20 per cent of the last retirement or disability allowance paid, where reductions in the last disability allowance paid as a result of overcompensation and a postponement of the disability allowance are not taken into account and the spouse's pension is therefore calculated on the basis of the regulatory, unabridged disability allowance.

Art. 26 Spouse's retirement pension
Deleted (see Art. 62 Transitional provisions)

Art. 27 Partner's pension
1 Analogous to the conditions for entitlement to and reduction of the spouse's pension, the same-sex or opposite-sex partner of the insured is entitled to a survivor's pension equal to the amount of the spouse's pension, provided all of the following conditions are met:
– the insured and the beneficiary were not married or living in a registered partnership, and there were no legal grounds preventing their marriage or registration of their partnership
– at the time the pension entitlement commences, the surviving partner does not receive any survivor's benefits (such as a spouse's or partner's pension) and has received no corresponding lump-sum payment in the past
– the surviving partner and the insured demonstrably lived in an exclusive partnership for an uninterrupted period of at least five years before the death of the insured, or the partner supports at least one child resulting from their union
– Profond received a written declaration from the insured during their lifetime

2 The beneficiary must submit all documents required to investigate the claim at the latest three months after the death of the insured. As proof of an exclusive relationship of five years, either a joint household of five years must be documented with an official confirmation of place of residence or the deceased insured person must have notified Profond of separate places of residence in writing using the corresponding form at least five years prior to their death. The fulfilment of the five-year period can be proven by the confirmation of place of residence and/or the notification of separate places of residence to Profond.
3 The recipient of a partner's pension loses their entitlement to the pension if they remarry, enters into a registered partnership or a new life partnership, or dies.
4 The provisions regarding a lump-sum withdrawal of the spouse's pension (Art. 25) apply mutatis mutandis.

Art. 28 Divorced spouse's pension
Eligibility requirements and the amount of a spouse's pension for the divorced spouse of a deceased insured person correspond to the BVG/LPP mandatory insurance.

Art. 29 Orphan's allowance
1 The children of a deceased insured are entitled to an orphan's allowance.
2 Foster children and stepchildren are treated in the same way as biological children, provided the deceased insured was still responsible for their maintenance.
3 The entitlement to an orphan's allowance begins with the month following the insured's death, but at the earliest with the first month for which the deceased insured's full salary, salary replacement benefits or pension is not paid.
4 The entitlement to benefits for orphans lapses upon the death of the orphan or on their 18th birthday. However, the entitlement shall remain valid until the orphan's 25th birthday in the following cases:
– until the completion of studies or training
– until the orphan is capable of working, if they are at least 70 per cent disabled as defined by the IV.

5 The amount of the orphan's allowance is specified in the Pension Plan.
6 The amount of the orphan's allowance is doubled if the child has lost both parents.

Art. 30 Lump sum payable at death
1 If an insured person dies before retirement and before reaching the reference age or if a recipient of a temporary disability allowance dies, a lump sum payable at death will be paid. In addition, the pension plan may provide for an additional lump-sum death benefit.
2 Independent of the law of succession, the eligible persons are in the following order, with the proviso that a group higher in the order of precedence will exclude the group below it from entitlement to benefits:
a) eligible group 1: the spouse (Art. 25) and the children of the insured who are eligible for orphan's allowance, in the absence of the latter
b) eligible group 2: natural persons supported to a considerable extent by the insured at the time of their death and the partner (Art. 27); if none,
c) eligible group 3: the children of the insured who are not eligible for orphan's allowance; if none,
d) eligible group 4: the parents of the insured; if none,
e) eligible group 5: the siblings of the insured.

The insured person may change the order of priority within eligible groups 3, 4 and 5. In addition, the insured person can place eligible group 1 after the other eligible groups or combine it with them.
3 Under Art. 252 SCC, foster children and stepchildren are treated in the same manner as the children, provided they were supported by the deceased insured.
4 Significantly supported natural persons in eligible group 2 are only entitled to receive benefits if the insured registered their names with Profond during their lifetime or if a will naming the entitled parties was submitted after the death of the insured. The will must contain an unequivocal reference to the occupational pension.
5 Lump sums payable at death shall, in principle, be divided equally. Within the respective eligible group, the insured may notify Profond in writing which persons are entitled to the lump sums payable at death, and in which proportions.
6 Persons claiming entitlement under this Article must notify Profond accordingly and submit all documents required to investigate the claim within a maximum of three months of the insured's death.
7 In all cases, any payments made to persons named as beneficiaries will be determined on the basis of the circumstances which applied at the time of the insured's death. If there are no beneficiaries, Profond will use the lump sums payable at death in accordance with the purpose of the Foundation.
8 The amount of the lump-sum death benefit corresponds to the existing retirement assets (Art. 15), the balance of the retirement account (Art. 18) and the existing balance of the account for financing the AHV bridging pension (Art. 22). The amount of the lump sum payable at death is specified in the Pension Plan.

9 If a recipient of an AHV bridging pension dies before reaching the reference age, the cash value of the remaining pensions is paid out in lump-sum form.
10 If an insured person who is gainfully employed beyond the reference age dies, a lump sum payable at death is paid in the amount of the retirement assets available at the time of death minus the present value of the vested spouse's or partner's pensions in accordance with Art. 25 or Art. 27. At the same time, there is no entitlement to any additional lump sum payable at death.

Art. 31 Disability allowance
1 The following insured are entitled to a temporary disability allowance:
- an insured who is at least 40 per cent disabled and was insured with Profond at the time the illness/injury which led to disability was incurred
- was at least 20 per cent but no more than 40 per cent disabled as the result of a congenital defect at the time when they started working and was insured for at least 40 per cent at the time that the level of the incapacity for work, the cause of which led to disability, increased
- became disabled while still a minor and was therefore at least 20 per cent but no more than 40 per cent disabled at the time when they started working and was insured for at least 40 per cent at the time that the level of the incapacity for work, the cause of which led to disability, increased.

These benefits will be paid in the event of disability as a result of illness or accident.
2 The amount of the entitlement to a disability allowance is determined as a percentage of a full pension as follows:

Disability level in %	Percentage share
0-39	0.0
40	25.0
41	27.5
42	30.0
43	32.5
44	35.0
45	37.5
46	40.0
47	42.5
48	45.0
49	47.5
50-69	corresponds to the level of disability
from 70	100.0

3 The entitlement to a disability allowance begins at the earliest upon entitlement to an IV pension. The entitlement is deferred for as long as the insured receives salary payments or salary replacement benefits of any kind that amount to at least 80 per cent of the lost salary, and at least half of the daily benefits insurance has been financed by the employer.
4 Subject to Art. 31a, the entitlement to a disability allowance lapses if the disability is healed, if the insured reaches the reference age, or dies.
5 The disability allowance is calculated on the basis of the insured risk component of the salary valid at the time that the incapacity for work underlying the claim to a disability allowance occurred. For insured persons who have fluctuating income, the average salary for the period of employment shall be used, but not exceeding the average salary for the previous 12 months.
6 Pension adjustments are made if the federal disability insurance (IV) increases, reduces or discontinues its pension and the level of disability relevant for the pension fund changes by at least 5 percentage points. In addition, the transitional provisions of the BVG/LPP on the amendment of 19 June 2020 (further development of the IV) apply to disability allowances.
7 The amount of the annual disability allowance is specified in the Pension Plan.
8 Disability benefits can only be paid in the form of a pension.

Art. 31a Provisional continuation of insurance and maintenance of entitlement to benefits after reduction in or ending of disability insurance pensions
1 If the disability allowance is reduced or cancelled following a reduction of the level of disability, the insured shall remain insured at Profond at the same conditions for three years. The condition for this is that the insured participated in reintegration measures pursuant to Art. 8a IVG before the reduction or end of the pension or that the pension was reduced or cancelled following the resumption of employment or an increase in the level of employment.
2 Insurance cover and entitlement to benefits will be maintained for as long as the insured person receives transitional benefits pursuant to Art. 32 IVG.
3 During such time as insurance cover is continued and entitlement to benefits is maintained, Profond may reduce the disability allowance in accordance with the decrease in the degree of disability of the insured person, but only to the extent that said reduction is offset by the insured person's additional income.
4 During such time as insurance cover is continued and entitlement to benefits is maintained, neither the insured person nor their employer will be liable to pay a contribution on the newly earned salary.

Art. 32 Child's disability pension
1 Recipients of a disability allowance are entitled to a child's disability pension for every child that will be entitled to a regulatory orphan's allowance on the death of the insured.
2 The child's disability pension is paid from the same date as the disability allowance.
3 Subject to Art 31a, it lapses when the underlying disability allowance lapses, but at the latest when the child is no longer entitled to a regulatory orphan's allowance.
4 The amount of the annual child's disability pension is specified in the Pension Plan.

3. Common provisions applying to benefits

Art. 33 Exemption from contributions
a) In the event of an incapacity to work
1 Insured persons who are unable to work and their employers are entitled to a waiver of contributions. Pension provision for such employees is maintained based on the insured savings or risk component of their salary at the onset of incapacity. For insured persons who have fluctuating income, the average salary for the period of employment shall be used, but not exceeding the average salary for the previous 12 months. The contribution waiver begins with the onset of incapacity for work, but at the earliest after the waiting period specified in the Pension Plan. If no waiting period is stipulated in the Pension Plan, a waiting period of six months applies.

2 The amount of the exemption from contributions shall be determined mutatis mutandis according to the degree of incapacity for work and Art. 31 para. 2. If the incapacity for work arose before 1.1.2022, it will be covered under the pension fund regulations valid until 31.12.2021 for as long as no Profond disability allowance has accrued under the pension scheme valid from 1.1.2022. 3 remains reserved.

3 Entitlement to a waiver of premiums lapses on termination of the pension relationship (Art. 7), if the insured has been fully or partially reintegrated into the workforce, if the insured person reaches the reference age or if they die, but no later than after 720 days from the onset of incapacity for work.

4 Where incapacity to work is interrupted by a period of more than 60 per cent capacity to work lasting more than six months, the waiting period will start afresh.

b) In the event of disability

1 Recipients of a disability allowance are entitled, during the period of payment of such disability allowance, to continued pension cover, without having to pay contributions, based on the insured savings or risk component of the insured's salary at the onset of incapacity to work. For insured persons who have fluctuating income, the average salary for the period of employment shall be used, but not exceeding the average salary for the previous 12 months.

2 After expiry of the salary and salary replacement benefits, the amount of the exemption from contributions is based on the pension entitlement vis-à-vis Profond.

3 Entitlement to a waiver of contributions lapses if the insured has been fully or partially reintegrated into the workforce, if the IV suspends its benefits, if the insured reaches the reference age or if they die. Art. 31a remains reserved.

c) In the event of death

Deleted (see Art. 62 Transitional provisions)

Art. 34 Overlapping benefits in the event of disability and death

1 Benefits paid by Profond shall be curtailed such that, together with other qualifying income, they do not exceed 90 per cent of the presumed earnings lost. As a rule, the presumed loss of earnings is calculated on the basis of the non-disabled income defined by the IV. In the cases referred to in Art. 9 Para. 12, the previous qualifying annual salary serves as the basis for calculating the presumed earnings lost.

2 Qualifying income includes all benefits paid to the eligible person, in particular:

a) AHV and IV
b) accident insurance
c) military insurance
d) foreign social insurance
e) other pension funds
f) sickness benefit insurance
g) benefits paid by a liable third party
h) benefits paid by a pension fund in the context of a share of the pension awarded to the ex-spouse under a divorce settlement. Lump-sum payments are offset at their paid-up pension value.

3 Payments to recipients of partial disability benefits are also offset against any income from gainful employment or substitute income that the insured still earns that they may reasonably be expected to earn. The hypothetical income from gainful employment or substitute income is calculated based on the disability income, or the income that would be achievable were it not for the disability, as defined by the IV. This does not apply for Art. 31a and 33 lit. b) Para 3.

4 Lump sums payable at death as well as satisfaction payments, care allowances, allowances for physical or mental impairment and similar benefits, are not taken into account.

5 After reaching the reference age, retirement benefits from Swiss and foreign social insurance bodies and pension funds are also deemed to be creditable income, with the exception of care allowances, lump sum settlements and similar benefits. Profond may reduce its benefits if, together with other creditable income, they exceed 90 per cent of that amount which, on performing an excess compensation calculation immediately prior to the reference age, was deemed to be presumed earnings lost.

6 The date upon which benefits overlap is the date used to calculate the curtailed benefits paid by Profond. The regulatory benefits are recalculated if the situation changes substantially. This does not apply for Art. 31a and 33 lit. b) Para 3.

7 The Foundation Board may decide to lessen the reduction in cases of hardship or if the inflation rate is very high.

8 Profond is not obliged to compensate for benefits refused or reduced by the accident insurance or military insurance, including benefits refused or reduced after reaching the reference age. No compensation need be provided for other benefits reduced after reaching the reference age or for other benefits reduced or refused on the grounds that the insured was at fault.

9 Self-employed persons who do not have UVG accident insurance will be treated in the same way as if they did have such insurance.

Art. 35 Subrogation

At the time of the insured event, Profond succeeds to the rights (up to the amount of the BVG/LPP minimum benefits) of the insured or of the eligible person vis-à-vis a third party who is liable for the insured event. Profond may also require the insured or the eligible person to assign their claims against liable third parties to Profond up to the amount of Profond's duty to provide benefits. If such claims are not assigned, Profond shall be entitled to withhold its benefits. Claims for compensation need not to be assigned.

Art. 36 Reduction for gross negligence

Profond may reduce its benefits to the same extent if the AHV/IV, accident insurance or other insurer reduces, withdraws or withholds a benefit because the eligible person has caused the death or disability through gross negligence or resists the IV's efforts to re-integrate him/her into the workforce.

Art. 37 Reimbursement

1 Benefits paid out in error must be reimbursed to Profond.

2 Such benefits can be deducted from outstanding claims to benefits.

Art. 38 Exceptional additional payments

1 Each year the Foundation Board considers whether to make any exceptional additional payments or cost-of-living adjustments to current retirement pensions in line with inflation depending on the financial circumstances of Profond.

2 It takes into account the interest rate applicable to the retirement assets of insured persons as well as the

level of current pensions over time, and seeks to ensure that insured persons and pension recipients are treated equally.
3 There is no entitlement for pensioners to keep an exceptional additional payment, even if one has been paid out several times.

Art. 39 Payout
1 Benefits are paid out as soon as all documents required to verify the entitlement and determine the start date and level of benefits have been submitted, or a legally valid decision is available. The measures in the case of failure to meet the maintenance obligation (Art. 40 BVG/LPP) are reserved in any event.
2 Subject to Art. 89c BVG/LPP, Profond only performs its obligations in Switzerland and Liechtenstein.
3 Benefits are generally paid directly into the personal bank account or postal account of the eligible person.
4 Pensions are rounded to the nearest Swiss franc, and are paid in monthly instalments. Pension payments are due at the end of every month.
5 The pension for the month in which entitlement to a pension lapses is paid in full.
6 Lump-sum payments fall due on the date upon which the first monthly pension would be paid. Lump-sum payments are paid out in a single amount.
7 If at the time a pension falls due, the annual retirement pension or the disability allowance for full disability amounts to less than ten per cent, the spouse's pension to less than six per cent, and a child's benefit to less than two per cent of the minimum AHV retirement pension, Profond will pay out a lump sum instead of a pension. Provided the eligible person has fully complied with their duty to cooperate, interest will be paid on the pension and lump sum payments at the BVG/LPP minimum interest rate after a period of 30 days following receipt of all the relevant documents.
8 Lump-sum withdrawals (early withdrawals for home ownership, divorce payments) will be debited proportionately from the compulsory cover and supplementary cover. The supplementary cover will be debited in the following order:
a) Purchases of AHV bridging pension (Art. 22 or Art. 30)
b) Purchases of reduced pension benefits in the event of early retirement (Art. 18)
c) Retirement assets (including purchases pursuant to Art. 43)
9 Lump-sum repayments (early withdrawals from Profond for home ownership, divorce payments) will be credited proportionately to the compulsory cover and supplementary cover. The supplementary portion will be credited to the accounts in reverse order of the order specified in Para. 8. Lump-sum withdrawals that were not made from Profond will be credited to the retirement assets in the event of a repayment from Profond, with the amount credited proportionately to the compulsory cover and the supplementary cover.

Art. 40 Advance benefits
1 If an insured event gives rise to an entitlement to social insurance benefits, but doubt exists as to whether the accident insurance, military insurance or occupational retirement, survivors' and disability insurance under the BVG/LPP has to pay the benefits, the eligible person can request advance benefits.
2 Any advance benefits paid by Profond will equal the minimum benefits payable under the BVG/LPP. If the case is taken over by another body, that body must reimburse the advance benefits up to the limit of its obligation to provide benefits.

4. Financing

Art. 41 Obligation to pay contributions
1 Contributions are due from the first day of the month in which the pension relationship begins (Art. 6). However, if the pension relationship begins after the 15th day of the month, contributions are only due from the first day of the next month.
2 The employer must transfer all the contributions to Profond, unless only the insured person is obliged to pay contributions (e.g. in the case of insurance cover as per Art. 7b or Art. 7c). The employer deducts the employee's share of the contribution from the insured person's salary or salary replacement each month and transfers the employee's contributions to Profond together with the employer's contributions.
3 The employer's contributions must equal at least the total of all contributions by the insured. Contributions pursuant to Art. 9 Para. 12 are exempt from this requirement.
4 During the waiting period (Art. 33), the employer must pay the contributions.
5 The obligation to pay contributions ends:
– when the pension relationship ends (Art. 7)
– when a retirement pension falls due, and to the extent of the retirement pension
– at the end of the month in which death occurs.
In this case, contributions must be paid up to the last day of the month. However, if the pension relationship ends before the 16th day of the month, contributions are only due up to the last day of the previous month.

Art. 42 Contributions
1 The type and amount of the employer and employee contributions are specified in the Pension Plan. The risk and administrative cost contributions may be adjusted by Profond on the basis of new rates.
2 In the case of an increased risk of disability or death, Profond reserves the right to charge a contribution supplement.
3 If retirement has been deferred, no risk contributions are payable. Other contributions and costs must be paid until the retirement benefits are drawn.
4 For external members pursuant to Art. 7c, Profond is entitled to the total contributions required under the regulations to continue the pension relationship (savings plan and risk insurance, or only savings plan). For those insured who only maintain savings insurance, administration cost contributions will only be calculated on the basis of the insured savings component of the salary; for those insured who maintain both savings and risk insurance, it will be calculated on the basis of the insured risk component of the salary.
5 For continued insurance pursuant to Art. 7b, Profond is entitled to the total regulatory contributions that the insured person continues to make (savings and risk contributions or only savings contributions). The contributions for administration costs will be calculated based on the insured risk salary.

Art. 42a Costs for extraordinary expenses
All costs for extraordinary expenses are listed in Annex 3. For extraordinary expenses and the processing of applications involving more than simply clarifying a claim under

the regulations, Profond charges a fee in accordance with Annex 3 to compensate for the administrative expenses incurred. This charge, including any costs incurred as a result of submitting an application to a third party, shall be borne by the applicant or the party responsible for such costs.

Art. 42b Claim in the event of the insolvency of the employer

If the affiliation agreement is terminated as a result of the insolvency of the employer, the pension recipients remain with Profond. Profond is entitled to demand financing of the retirement benefits from the employer as of the date the affiliation agreement is terminated. The basis for calculating this claim is the technical interest rate pursuant to FRP4 with the currently valid accounting table, less 25 basis points to cover the mortality risk.

Art. 43 Entry benefits, purchase

1 New insureds must transfer all vested benefits from previous pension funds to Profond when they join the fund.

2 If, with regard to the reference age, an insured person has not purchased the full regulatory benefits, they may purchase additional benefits until they reach the reference age, or until completing the age of 70 at the latest. The recipient of a partial disability allowance may also make purchases for the active portion at the same conditions. The purchases are credited to the individual regulatory retirement account. Purchases may only be made after full repurchase after divorce.

3 However, additional benefits can only be purchased if all early withdrawals of occupational pension benefits under the promotion of home ownership scheme have been repaid in full, or the repayments of such are no longer legally permitted.

4 The maximum possible purchase amount is equal to the difference between the maximum possible retirement assets and the retirement assets actually available as of the purchase date. The maximum possible retirement assets equal the total retirement credits provided under the Pension Plan, plus the buy-in interest rate pursuant to Art. 44 accrued through the purchase date (but not later than the reference age), assuming the insured is insured from the earliest possible date pursuant to the Pension Plan (start of savings insurance) for the current insured savings salary component of the salary.

5 If additional benefits were purchased, the benefits purchased with this sum may not be drawn in the form of a lump sum during the next three years; this also includes early withdrawals under the promotion of home ownership scheme.

Art. 44 Interest rates

1 Profond uses different interest rates for various commercial, technical and administrative matters. Provided they are not prescribed by law, these rates are defined by the Foundation Board in consultation with occupational pension experts.

2 The technical interest rate is used to calculate the actuarial pension reserves, regulatory technical reserves, other technical calculations and for Profond's accounts.

3 The projected interest rate is used for the preliminary calculation of retirement assets and retirement pensions at retirement age. It corresponds to the Profond technical interest rate. Any other projected interest rates in pension plans agreed before 1.1.2021 will no longer apply.

4 The buy-in interest rate is used for the calculation of the buy-in amounts pursuant to Art. 43 and thus also for evaluating the Pension Plan's adequacy. It is two per cent, provided there is no provision in the Pension Plan to the contrary.

5 The retirement asset interest rate is used to determine the interest on regulatory retirement assets and deposits. It is defined by the Foundation Board annually. This interest rate takes account of Profond's strategic performance objective as well as its financial circumstances.

6 The BVG/LPP minimum interest rate is used for the calculation of the BVG/LPP minimum benefits, in particular, for the BVG/LPP sample accounting. It corresponds to the BVG/LPP minimum interest rate reviewed and, if necessary, adjusted by the Federal Council (Art. 15 BVG/LPP).

7 The interest on arrears is the BVG/LPP minimum interest rate plus one per cent (Art. 7 FZV).

5. Vested benefits

Art. 45 Payment date for vested benefits

1 If the pension relationship is terminated before an insured event occurs and no benefits under these regulations are due, the insured leaves Profond at the end of the last day of their employment relationship, and the vested benefits fall due.

2 Vested benefits must earn interest at the BVG/LPP interest rate pursuant to Art. 15 Para. 2 BVG/LPP from the first day after the insured has left Profond.

3 Interest on arrears pursuant to Art. 7 FZV only has to be paid if the vested benefits are not transferred within 30 days after Profond received the required instructions on the use of the vested benefits.

4 The insured may also request payment of vested benefits if they leave Profond at some point between the earliest possible retirement age and the reference age under the regulations and continue to work or is registered as unemployed.

5 At the end of the period of provisional continuation of insurance and maintenance of entitlement to benefits pursuant to Art. 31a, the insured person whose disability insurance pension was reduced or ended in accordance with the decrease in the degree of disability is entitled to a payment of vested benefits.

Art. 46 Amount of the vested benefits

1 The vested benefits are calculated in accordance with Art. 15, 17 and 18 FZG. The vested benefits equal the higher of the amounts calculated in accordance with the following methods of calculation.

2 Calculation method 1 (retirement assets, Art. 15 and 18 FZG): The vested benefits equal the regulatory retirement assets accrued up to the date of withdrawal.

3 Calculation method 2 (minimum amount, Art. 17 FZG): The vested benefits equal the sum of:

- the entry benefits brought into the fund and all amounts for which additional benefits were purchased, plus interest – the interest rate equals the minimum BVG/LPP interest rate, and
- the savings contributions paid by the insured, with interest (the interest rate equals the minimum BVG/LPP interest rate), plus a supplement of four per cent per year from the age of 20, but no more than 100 per cent. No supplement of four per cent per year from the age of 20 will be calculated for contributions pursuant to Art. 9 Para. 12.

Art. 47 Utilisation of vested benefits
1 The vested benefits are transferred to the account of the insured with their new pension fund.
2 Insured who are not joining a new pension fund must inform Profond if their vested benefits should be used:
– to open a vested benefits account or
– to set up a vested benefits policy.
If Profond receives no such notification, the vested benefits, together with the BVG/LPP minimum interest, will be transferred to the National Substitute Pension Plan Foundation (Stiftung Auffangeinrichtung BVG/LPP) at the earliest six months, but not later than two years after the vested benefits become due.
3 On request of the insured leaving Profond, the vested benefits are paid out in cash if:
– they leave Switzerland permanently. This is subject to the agreement on the free movement of persons with the EU and various bilateral agreements, including with the EFTA, or if he/ she lives in the Principality of Liechtenstein.
– they become self-employed and are no longer subject to the compulsory occupational benefits insurance
– the vested benefits amount to less than the insured's annual contribution.
4 If the insured leaving Profond is married, cash payment is only permitted if the spouse has given their written consent for cash payment and the spouse's signature has been officially authenticated.

6. Divorce and promotion of home ownership

Art. 48 Divorce
1 If part of the vested benefits or part of a lifelong pension of an insured is awarded to the entitled spouse under a divorce decree issued by a court, the insured benefits of the insured are reduced accordingly.
2 If the obligated spouse becomes entitled to retirement benefits during the divorce process or if he or she is receiving a disability allowance and reaches the reference age during the divorce process, Profond will reduce the proportion of the vested benefits to be transferred and the retirement pension of the insured within the framework permitted by the law (Art. 19g Federal Ordinance on Vesting in Pension Plans (FZV)).
3 Vested benefits or a lifelong pension to be transferred is charged to Profond in the ratio of the BVG/LPP retirement assets to the supplementary retirement assets retirement assets in relation to the supplementary retirement assets.
4 The insured can at any time repurchase the vested benefits transferred to the spouse. The amounts repurchased will be allocated to the BVG/LPP retirement assets and the supplementary cover retirement assets based on the same ratio as when the deductions were made.
5 Profond will transfer the share of the obligated spouse's vested benefits to the pension fund or vested benefits institution of the entitled spouse.
6 If a lifelong pension is awarded, Profond will pay this pension to the entitled spouse or transfer it to their pension fund. If the entitled spouse is eligible for a full disability allowance or has reached the minimum age for early retirement, they may request payment of this pension. If they have reached the reference age, the pension will be paid to them or transferred to their pension fund if they are still eligible to purchase benefits under that pension fund's rules. If Profond does not pay the lifelong pension itself, it will transfer it to the pension or vested benefits institution of the entitled spouse in accordance with the procedure set out in Art. 19j of the Federal Ordinance on Vesting in Pension Plans (FZV) (in the absence of relevant details the transfer will go to the National Substitute Pension Plan). Interest will be paid on the amount of the annual transfer at an interest rate equal to half of the interest rate applicable for the relevant year under the regulations in accordance with Art. 44 para. 5. Instead of transferring the pension, Profond may reach agreement with the entitled spouse to pay a one-off settlement in the form of a lump sum.

Art. 49 Early withdrawal or pledging of benefits to finance residential property
1 Up to the reference age, an insured person may request an advance withdrawal of benefits to finance residential property for own use (purchase and construction of residential property, holdings in residential property or repayment of mortgages), provided that no insured event has occurred. The minimum early withdrawal is CHF 20 000.
2 "Own use" in this context refers to the use of the property by the insured as a domicile or place of usual residence.
3 However, they can also pledge their claim to vested and/or pension benefits for the same purpose.
4 Until the age 50, the insured may withdraw or pledge an amount equal to their accrued termination benefits. From age 50, they are only entitled to the vested benefits accrued at age 50, or half of the vested benefits accrued at the time of the withdrawal. The insured may request information on the amount available to finance residential property and on the reduction in benefits associated with such an advance withdrawal.
5 The insured may request information on the amount available to finance residential property and on the reduction in benefits associated with such an advance withdrawal. Profond will draw the insured person's attention to the possibility of covering the resulting insurance gaps and to the tax liability.
6 If the insured uses the option to make an early withdrawal or to pledge benefits, they must submit a written request and all documents that adequately prove the purchase or construction of residential property, the purchase of shares in residential property or the repayment of mortgages to Profond.
7 If the insured is married, the written consent of the spouse is required, and the authenticity of the spouse's signature must be officially certified.
8 This reduction is calculated in accordance with actuarial principles. It will be debited in equal proportions from the BVG/LPP retirement assets and the supplementary cover retirement assets.
9 An early withdrawal can be made every five years.
10 If the insured sells the residential property or grants title to the residential property that is economically equivalent to a sale or if on the death of the insured person no pension benefit is due, the insured person or their heirs must repay the early withdrawal to Profond. The repayment will be allocated to the BVG/LPP retirement assets and the supplementary cover retirement assets based on the same ratio as when the deductions were made.
11 The right and the obligation to make repayment continue until the insured person reaches the reference age, another insured event has occurred or until cash payment of the vested benefits.

12 In the event of a cover shortfall, Profond can place a limit on the time and amount of the early withdrawal if its purpose is the repayment of a mortgage.
13 If the liquidity of Profond is endangered by early withdrawals, it may defer the processing of applications. Profond will determine the order of priority according to which applications will be processed.

7. Organisation, administration and control

Art. 50 Foundation Board
1 The Foundation Board manages and monitors the business of Profond, represents Profond vis-à-vis third parties and determines the signatory power.
2 The Foundation Board consists of a minimum of six members.
3 The Trustees' term of office is four years.
4 The Foundation Deed and the Organisation Regulations contain more information on the organisation and duties of the Foundation Board.

Art. 51 Employee Benefits Committee
The organisation and duties of the Employee Pension Scheme Committee are governed by the organisational regulations.

Art. 52 Management, financial year
1 Profond's management manages the day-to-day business of Profond under the supervision of the Foundation Board and in accordance with the Organisation Regulations and Investment Regulations.
2 The management periodically submits a report on business activities to the Foundation Board, and informs the Foundation Board of special incidents immediately.
3 The annual financial statements are closed on 31 December. The accounts are drawn up in accordance with the statutory provisions.

Art. 53 Statutory auditors, expert
1 The Foundation Board delegates the annual audit of Profond's management, accounts and assets to accredited, independent statutory auditors. This individual or institution reports the results of the audit in writing.
2 The Foundation Board has Profond reviewed annually by an accredited, independent occupational pension expert. If this results in an actuarial deficit, the Foundation Board decides, after hearing the expert, which restructuring measures are to be taken.

Art. 54 Duty of confidentiality
The members of the Foundation Board and all persons involved in the management, administration, auditing or supervision of Profond must maintain confidentiality about the personal and financial data of the insured and the employer.

8. Other provisions

Art. 55 Information for the insured
1 Profond must provide the insured with all information in accordance with the legal regulations, in particular pertaining to:
- the insured/pensionable salary
- the benefits
- the contributions
- the retirement assets
- the financing
- the organisation of Profond
- the members of the Foundation Board.

2 On request, the insured must also be given information in an appropriate format on the return on investments, the actuarial risk experience, the administration costs, the calculation of the actuarial reserves, the forming of provisions and the funding ratio.
3 The annual financial statements and annual report must be handed to the insured person on request.
4 Profond must inform the Employee Pension Scheme Committee if any employer contributions are outstanding.
5 On request, the Employee Pension Scheme Committee provides the insured with information on their pension fund and the resolutions that were passed.
6 Disputes regarding the right of the insured to information may be submitted to the supervisory authority for a judgement pursuant to Art. 62, Para. 1 lit e BVG/LPP.

Art. 56 Value fluctuation reserves and provisions
The calculation and formation of value fluctuation reserves and technical reserves are dealt with in the investment regulations and the regulations on provisions.

Art. 57 Uncommitted funds
Funds reported as uncommitted funds can be used within the limits of the legal provisions.

Art. 58 Employer contribution reserves
The employer has the option of accruing a separately reported employer´s contribution reserve. At the employer´s request, the employer´s contributions can be paid out of this reserve. In the event of outstanding payments, Profond is entitled to charge the employer's contribution that is due to the employer's contribution reserves.

Art. 59 Measures in the event of a cover shortfall
1 If Profond has a cover shortfall which the occupational pension expert believes is a threat to the security of the benefits defined in the regulations, the Foundation Board shall arrange suitable measures to promptly offset the shortfall in actuarial terms. In compliance with the statutory provisions, the Foundation Board may take the following measures in particular:
- Adjustments to the investment strategy
- Adjustments on the financing/benefits side
- Reduction in the internal remuneration for the duration of the cover shortfall
- Restrictions on early withdrawals of benefits to finance residential property for the duration of the cover shortfall.

2 Affiliated employers may contribute to a separate "Employer contribution reserve fund with a waiver of usage". They may also transfer any available funds from the ordinary employer contribution reserve fund to this account. Once the cover shortfall has been eliminated, the transfer to the ordinary employer contribution reserve will take place within the framework of statutory provisions.
3 If the measures pursuant to Para. 1 and 2 do not achieve the desired purpose, for the duration of the cover shortfall Profond may levy (non-returnable) contributions from employees, employers or pensioners, in the case of the latter offsetting such contributions against current pensions and, in doing so for pensioners, Art. 65d, Para 3 lit. b of the BVG/LPP must be taken into account. These

contributions may be deducted from existing, affiliation-related uncommitted funds.
4 If Profond's cover shortfall exceeds ten per cent at the time the affiliation agreement is terminated, the employer shall undertake to offset the underfunding on both the pension capital of the pension fund's insured persons and the pension capital of the pension fund's pension recipients by the time the contract is terminated ("employer's obligation to furnish additional cover"). Should a funding ratio of less than 90 per cent be imminent prior to termination of the affiliation agreement, Profond is entitled to require the employer to make a commensurate payment on account. If the conditions for a partial liquidation of Profond are fulfilled (Art. 5 Partial liquidation regulations), the employer's obligation to furnish additional cover will be reduced to the extent of any reduction in the insured persons' vested benefits upon termination of membership and in the pension capital of pension recipients who are leaving Profond.

Art. 60 Partial liquidation
The conditions for a partial liquidation and the liquidation procedure are set out in partial liquidation regulations.

Art. 61 Gaps in the regulations; disputes
1 Any special cases and situations not mentioned in these regulations are decided by analogous application of the legal provisions.
2 Any disputes may be submitted to the competent court pursuant to Art. 73 BVG/LPP.

Art. 62 Transitional provisions
1 A temporary spouse's pensions which was awarded prior to 1 January 2018 will be paid until such time as the deceased insured would have reached the reference age, and will subsequently be converted into a spouse's old-age pension. In all other respects, the Pension Fund Regulations in force up until 31 December 2017 will apply, the Foundation Board may periodically adjust the relevant conversion rates for spouse's retirement pensions.
2 Art. 42b applies for all affiliations from the first day of the month following the end of the affiliation agreement after 1.1.2021.

Art. 63 Entry into force and amendments
1 These regulations enter into force on 1 January 2025. They replace all previous versions.
2 The Foundation Board may amend these Regulations at any time in line with statutory provisions and the Foundation's purpose. Amendments must be submitted to the supervisory authority.

The Foundation Board
Zurich, 27 August 2024

Annexes to pension fund regulations

Annex 1:
Retirement pension conversion rates (CR)

The retirement pension is calculated from the retirement assets at the time of retirement multiplied by the relevant conversion rate shown in the table below.

Age	Pension conversion rate in 2025	2026	2027
58	4.2	4.2	4.2
59	4.4	4.4	4.4
60	4.6	4.6	4.6
61	4.8	4.8	4.8
62	5.0	5.0	5.0
63	5.2	5.2	5.2
64	5.4	5.4	5.4
65	5.6	5.6	5.6
66	5.8	5.8	5.8
67	6.0	6.0	6.0
68	6.2	6.2	6.2
69	6.4	6.4	6.4
70	6.6	6.6	6.6

Intermediate values will be interpolated.

Illustrative calculations retirement pension
The retirement pension for a male employee who wishes to enter ordinary retirement in October 2025 with retirement assets of CHF 300 000 (pension payments from November 2025) is calculated as follows:

Retirement assets	CHF 300 000		
Conversion rate	5.60%		
CHF 300 000 × 5.60%	= CHF	16 800	annually
	= CHF	1 400	monthly

The retirement pension for a female employee who wishes to retire early at age 62 in July 2025 with a retirement savings balance of CHF 450 000 (pension payments from August 2025) is calculated as follows:

Retirement assets	CHF 450 000		
Conversion rate	5.00%		
CHF 450 000 × 5.00%	= CHF	22 500	annually
	= CHF	1 875	monthly

Annex 2:
Special conversion rates

Conversion rates on selecting a retirement pension with capital protection (Art. 17a)

Age	Duration of capital protection in years	Pension conversion rate with capital protection in the year 2025	2026	2027
58	10	4.0	4.0	4.0
59	10	4.2	4.2	4.2
60	10	4.4	4.4	4.4
61	10	4.6	4.6	4.6
62	10	4.8	4.8	4.8
63	10	5.0	5.0	5.0
64	10	5.2	5.2	5.2
65	10	5.4	5.4	5.4
66	9	5.6	5.6	5.6
67	8	5.8	5.8	5.8
68	7	6.0	6.0	6.0
69	6	6.2	6.2	6.2
70	5	6.4	6.4	6.4

Intermediate values interpolated

Illustrative calculations retirement pension with capital protection
The retirement pension with capital protection for a male, married employee who wishes to enter ordinary retirement in October 2025 with retirement assets of CHF 300 000 (pension payments from November 2025) is calculated as follows:

Total retirement assets	CHF 300 000
Conversion rate	5.40%
CHF 300 000 × 5.40%	= CHF 16 200 annually (lifelong) = CHF 1 350 monthly

If he dies exactly 4 years after retirement in October 2029, his surviving spouse, who is a maximum of 10 years younger, will receive a lifelong spouse's pension of CHF 16 200 × 60% = CHF 9720 annually and a one-off lump sum payable at death of:

Deduction of pension paid	CHF 300 000 – CHF 64 800 (4 × CHF 16 200) = CHF 235 200
Deduction of spouse's pension yet to be paid	CHF 235 200 – CHF 141 120 (CHF 235 200 × 60%)
Lump sum payable at death	= CHF 94 080

If he dies more than 10 years after retirement, the surviving spouse receives only the lifelong spouse's pension

The retirement pension with capital protection for a female employee who wishes to retire early at the age of 62 in July 2025 with a retirement savings balance of CHF 450 000 (pension payments from August 2025) is calculated as follows:

Total retirement assets	CHF 450 000
Conversion rate	4.80%
CHF 450 000 × 4.80%	= CHF 21 600 annually (lifelong) = CHF 1 800 monthly

If she dies exactly 6 years after retirement in July 2031 and is unmarried or not in a life partnership at that time, her beneficiaries will receive a one-off lump sum payable at death of:

Deduction of pension paid	CHF 450 000 – CHF 129 600 (6 × CHF 21 600)
Lump sum payable at death	= CHF 320 400

If she dies more than 10 years after retirement and is unmarried or not in a life partnership at that time, Profond will not pay out any benefits.

Conversion rates for spouse's retirement pensions
Deleted (see Art. 62 Transitional provisions)

Annex 3:
Schedule of costs for extraordinary services

1. General
This annex sets out the cost contributions Profond charges to the employer or insured persons for extraordinary services not covered by the ordinary cost contributions. An information sheet with the benefits covered by the ordinary cost contributions is available on-line at www.profond.ch/vorsorge.

2. Extraordinary cost contributions for special services
The following services provided by Profond are not included in the ordinary cost contributions and are therefore invoiced as additional items.

2.1 Retroactive changes
A charge is made for the following retroactive changes:

a) Late registration of new entries and departures, as well as changes to salary and level of employment per transaction — CHF 250

b) Late registration of incapacity for work per transaction — CHF 250
(registrations are considered late following expiry of 4 months after the onset of incapacity for work)

c) Other retroactive changes per transaction per year — CHF 250
(changes are considered late if they no longer relate to the current accounting year)

d) Delayed delivery of certificates of incapacity for work and/or daily allowance settlements for insured persons
incapable of working
per business transaction — CHF 250
(delivery is considered late if received beyond the expiry of the deadlines notified by Profond)

2.2 Distribution of uncommitted funds
The elaboration of the first three distribution plans per calendar year is a service covered by the ordinary cost contributions. The elaboration of subsequent distribution plans is chargeable.
Charged at cost, hourly rate — CHF 150

2.3 Collection charges
a) Debt collection proceedings charged at cost, hourly rate — CHF 150

b) Judicial dismissal of objections charged at cost, hourly rate — CHF 150
plus standard debt enforcement and court costs

c) Interest on arrears
If payment is not received by the stipulated deadline, interest on arrears at the BVG/LPP minimum interest rate plus one per cent will be due from the 61st day following the date of the invoice.

2.4 Other expenses
For other expenses, external costs will be charged on the basis of the actual cost and internal costs at an hourly rate of CHF 150.

In particular, expenses subject to charge include:
- The involvement of external parties
- Negotiations with authorities
- Work carried out as a result of a breach of information and notification requirements
- The elaboration of time-consuming and complex simulations or those repeated at the client's request
- The processing of requests which could have been handled via the Profond portal.

2.5 Fees for home ownership promotion
A fee is charged for early withdrawals or any realisation of a pledge in the pledging of termination or pension benefits for the purpose of home ownership. The one-off fee amounts to CHF 400 for early withdrawals and for any pledges.

Fees charged by the land registry for the registration or deletion of sales restrictions will be borne by the insured person.

3. Invoicing
a) Invoices are typically drawn up according to the "causer pays" principle.

b) Cost contributions in connection with a retroactive change (Point 2.1) or in connection with collection services (Point 2.3) are invoiced to the employer.

c) Cost contributions relating to the elaboration of distribution plans (Point 2.2) are invoiced to the employer.

d) Cost contributions in accordance with Point 2.4 are invoiced to the employer or to the person/ insured persons requesting the calculation.

4. Due date
Cost contributions are due within 30 days of the invoice being issued.

5. Third-party costs and fees
The insured and/or applicant shall bear third-party costs and fees in connection with:

a) Proof of life and/or marital status (Art. 12)

b) Confirmation from a training or education institution confirming the type and duration of training or education for recipients of child benefits or orphan's allowances (Art. 12)

c) A lump-sum withdrawal (Art. 21)

d) The provision of documents for survivors' benefits (Art. 27, Art. 30)

e) The transfer of benefits payments abroad (Art. 39)

f) Cash payment of vested benefits (Art. 47)

6. Provisional maintenance of pension relationships
If the provisional maintenance of pension relationships is ordered by a court and such maintenance is subsequently ended by Profond with retroactive effect, Profond may forgo reimbursement of the contributions and premiums it has received (min. administrative costs). The contributions and premiums received (min. administrative costs) may be viewed as owed until the insured person's effective final day with Profond.

7. Right to make amendments reserved
The Foundation Board is entitled to make amendments to this annex to the pension fund regulations at any time.

Index

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