Occupational pension fund regulations

AVENA
Fondation BCV 2e pilier

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CHAPTER I

DEFINITIONS

Fund	AVENA – Fondation BCV 2e pilier.
Founding institution	Banque Cantonale Vaudoise.
Pension Board	Governing body of the Fund, formed pursuant to the Statutes.
Employer	An employer that has signed a Membership Agreement with the Fund.
Employee	An employee of an employer that has signed a Membership Agreement with the Fund.
Member	An employee who has joined and is insured by the Fund.
Registered civil partner	A partner who has entered into a registered civil partnership in accordance with the Federal Law on Registered Civil Partnerships (LPart). A registered civil partnership is treated in the same way as a marriage. The dissolution of a registered civil partnership by a court is treated in the same way as a divorce.
Spouse	The member's legal spouse. A person who has entered into a registered civil partnership (LPart) with a Fund member is treated in the same way as a spouse.
Unregistered partner	A partner (of the same or opposite sex) who has not entered into a registered civil partnership under the LPart, or who is not married to the member.
Insurer	A recognized insurance company in Switzerland.
Retirement age	The normal age of retirement as provided by the Federal Council in the LPP.
Pension	This term refers to the annual pension.
Pension plan	The document that is attached as an annex to the Membership Agreement and sets forth the type and amount of benefits and how they are funded.
LPP	Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans.
OPP2	Ordinance on Occupational Retirement, Survivors' and Disability Pension Plans.
AVS	Federal Law on Old-age and Survivors' Insurance.
AI	Federal Law on Disability Insurance.
LAA	Federal Law on Accident Insurance.
LAM	Federal Law on Military Insurance.
LFLP	Federal Law on Vesting in Pension Plans.
OLP	Ordinance on Vesting in Pension Plans.
LPart	Federal Law on Registered Partnerships between Persons of the Same Sex.
OEPL	Ordinance on the Use of Pension Assets for the Encouragement of Home Ownership.

CHAPTER II

GENERAL PROVISIONS

Article 1 | The Fund's legal status

AVENA – Fondation BCV 2e pilier (hereinafter the "Fund") is a pension fund providing compulsory insurance introduced under the Federal Law on Occupational Retirement, Survivors' and Disability Pension Plans of 25 June 1982 (hereinafter "LPP").

The Fund is a recognized pension plan registered with the pension fund supervisory authority Autorité de Surveillance LPP et des fondations de Suisse Occidentale (pursuant to Article 48 of the LPP).

Article 2 | The Fund's purpose and minimum obligations

The employer joins the Fund to insure its employees against the economic consequences of retirement, disability and death. It provides its employees with the minimum benefits introduced under the LPP.

As a registered pension plan, the Fund must satisfy the minimum LPP requirements.

The Fund agrees to pay at least the minimum benefits required by the LPP for the interim generation.

Article 3 | Membership Agreement

The employer joins the Fund by signing a Membership Agreement.

The Membership Agreement defines the relationship between the Fund and the employer.

Article 4 | Pension Committee

Each company shall create a Pension Committee. The Pension Committees' responsibilities are set forth in separate regulations.

Article 5 | Pension Board

The Pension Board is the governing body of the Fund.

The Pension Board is formed for a period of four years, and each of its members may be re-elected.

Article 6 | Responsibilities of the Pension Board

The Pension Board may not delegate or assign to others the duties enumerated in Article 51a(2) of the LPP.

The Fund ensures that Pension Board members receive initial and ongoing training so that they can fully carry out their management duties.

Article 7 | Risk insurance

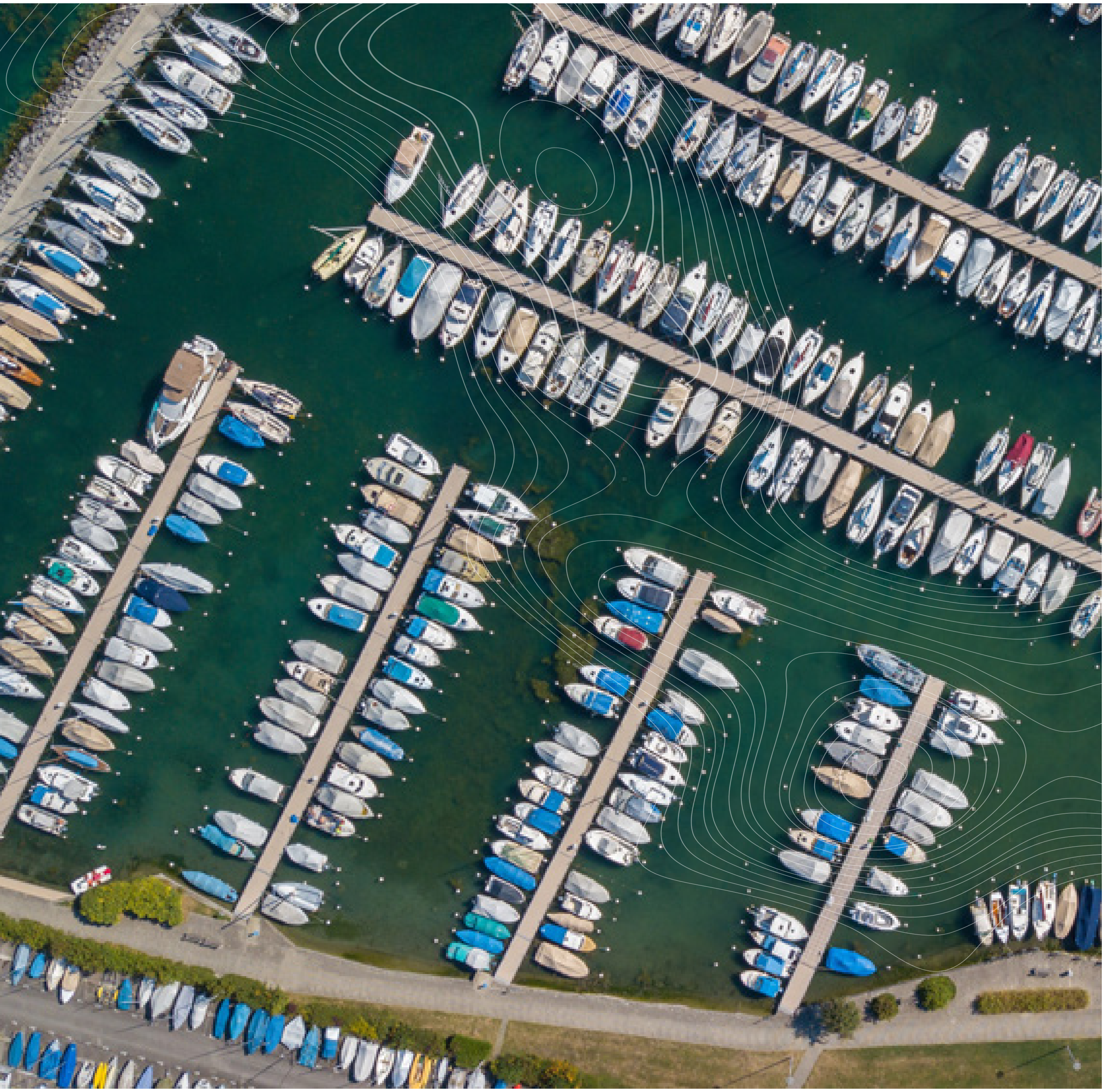
Concerning insurance policies that the Fund enters into with insurers, the Fund is the policyholder, is solely responsible for the insurance premiums and is the sole beneficiary of the insured benefits.

Article 8 | Relationship with current legislation

These regulations have been issued pursuant to Articles 50 and 51a of the LPP and the Fund Statutes.

They govern the relationship between the Fund and the members, employers, employees and beneficiaries.

For issues not addressed by these regulations, the law shall apply.



CHAPTER III

MEMBERSHIP

Article 9 **| Pension-plan members**

All employees are insured in accordance with these regulations beginning on 1 January following their 17th birthday. The following categories of employees are not insured:

1. Employees whose annual reference salary defined in Article 14 is below the amount contained in the pension plan. For employees who are partially disabled within the meaning of the AI, the amount indicated above is reduced in accordance with Article 4 of the OPP2.
2. Employees hired for a fixed term that does not exceed three months.
3. Employees who have reached normal retirement age and are not covered by a measure of the kind provided for in Article 33b of the LPP.
4. Employees who are disabled within the meaning of the AI at a level of 70% or more, as well as individuals who continue to be provisionally insured pursuant to Article 26a of the LPP.
5. Upon written request to the Fund within 30 days following the start of the employment contract, employees who have other gainful employment and who are already insured under the LPP in their principal employment, or whose principal employment is in a self-employed capacity.
6. Upon written request to the Fund within 30 days following the start of the employment contract, employees who are not employed in Switzerland or whose employment in Switzerland is likely to be of a temporary nature, and who have sufficient pension plan coverage abroad.

For part-time employees, the Fund does not provide optional insurance for the salary received from other employers. A self-employed person who employs staff for whom the self-employed person joined the Fund may contract voluntary insurance in accordance with the law. Notwithstanding the provisions of Article 12, the member's coverage begins on the first day of the month following receipt of the membership application.

Article 10 **| Beginning of risk coverage**

The risks of death and disability are covered, at the earliest, from the date on which insurance coverage begins under Article 11.
Old-age risk is covered from 1 January following the member's 24th birthday. It supplements the coverage already guaranteed until that date.
Coverage of old-age risk can be provided earlier, by explicit agreement.

Article 11 **| Beginning and termination of insurance**

1. Insurance coverage begins on the first day of employment, but no earlier than 1 January following the member's 17th birthday.

   If an employee is hired by the employer for a period not to exceed three months and if this period is extended beyond three months, the insurance coverage takes effect the day the extension is agreed upon.

   If several periods of employment combined last for more than three months and no more than three months elapse between the periods of employment, insurance coverage will take effect at the start of the fourth month; if it is agreed before the first period of employment begins that the employee is hired for more than three months, insurance coverage will begin on the first day of employment.

   Insurance coverage ceases upon termination of employment, but no later than when the member reaches normal retirement age, or if the conditions of membership are no longer met. The provisions below concerning unpaid leave and those governing the postponement of retirement benefits beyond the legal retirement age in Article 18 remain applicable.

   A member who ceases employment with the employer continues to be covered for death and disability risks until he/she joins a new pension plan, but no later than one month after employment ceases.

   If a member is aged 58 or over and is no longer subject to compulsory insurance because the employer has terminated his/her employment contract, he/she may opt to maintain coverage with the Fund under the same conditions as before. The member must inform the Fund of his/her decision in writing within 30 days after being informed by the Fund of the option to maintain coverage.

   The member may choose to maintain only his/her death and disability insurance or to keep his/her full coverage. The member's termination benefits will remain in the Fund, even if he/she stops making retirement contributions. If a member joins a new pension fund, the Fund will transfer the termination benefits to the new fund. Only the amount of termination benefits required to obtain full regulatory benefits under the new pension fund will be transferred.

   The member alone is responsible for paying his/her contributions for death and disability insurance and administrative costs. The same applies to retirement contributions, if the member decides to continue making them.

   If the Fund becomes underfunded, the member may be required to make remedial contributions, in accordance with Article 48.

   If the member opts to maintain coverage pursuant to this article, he/she has the same rights as members of the same pension plan who are still working, particularly in terms of the interest rate and conversion rate. Exceptions to this are set out in Article 21 and in the provisions of the home-ownership encouragement initiative.

   Coverage begins the day after the member ceases to be subject to compulsory death and disability insurance. Coverage ends in the event of an insured event or when the member reaches normal retirement age. If the member joins a new pension fund, coverage ends if more than two-thirds of his/her termination benefits are required to obtain full regulatory benefits under the new pension fund.

Coverage also ends if the member stops paying his/her contributions or if the member requests to end the coverage. The provisions laid out in Articles 34 to 37 regarding vested termination benefits will apply by analogy.

2. A member who, with the employer's consent, chooses not to terminate his/her employment contract but to take an unpaid leave of absence of up to six months may select one of the following two options, which must be confirmed in writing by both the member and the employer:

   a. Terminate the insurance coverage:

      If the member elects this option, Article 34 will apply in the same way as if the member's employment were terminated.

   b. Continue insurance coverage and keep making contribution payments:

      During the leave of absence and with the employer's consent, the member may continue to pay the full contribution amount or only the portion of the contribution amount covering risk insurance, fees and the payments to the Security Fund. The member shall pay a contribution based on his/her pensionable salary prior to the leave of absence and composed of both the member's own share and the employer's share. The employer may pay its own share of the contribution at its discretion. The contribution rate and the breakdown between savings and risk are defined in the pension plan. The employee shall pay contributions exclusively through the employer. The employer alone shall pay contributions to the Fund.

      During the leave of absence, the member shall be entitled to all regulatory benefits. However, if the member has chosen to make contributions to cover risk insurance only, savings credits shall not be allocated to the savings capital during the leave of absence.

Article 12 | Health exclusions

1. The Fund may require the new member to complete a health declaration form and, if necessary, to undergo a medical examination by a doctor chosen or approved by the Fund, at the Fund's expense.

   If the member refuses to complete the health questionnaire or undergo a medical examination, he/she shall only be insured for the minimum LPP benefits.

   If the medical examination reveals high risks, the Fund may impose one or more exclusions for the portion of risk coverage exceeding that purchased with the vested termination benefit transferred by the employee on joining the Fund.

   The duration of the exclusions shall not exceed five years, including any exclusion period that may have elapsed in the previous pension fund.

   If an employee becomes unable to work or dies as a result of a medical condition that existed prior to the medical examination, benefits due from the Fund shall be reduced to the minimum LPP benefits, even after five years of membership.

Similarly, if an employee becomes unable to work or dies during the exclusion period, benefits due from the Fund shall be reduced to the minimum LPP benefits, even after the reserves period ends.

If the cause of disability or death is clearly unrelated to the exclusion, the exclusion shall not apply.

In the event of a violation of the obligation to provide information (withholding of information), particularly on the health declaration form, the Fund may cancel that portion of the member's insurance that is in excess of the minimum benefits and refuse to pay disability and death benefits. The Fund will notify the member of its decision in writing within four weeks of the date on which the Fund learns with certainty of the withholding of information. In all cases, the minimum benefits under the LPP are guaranteed.

2. In the event of a salary increase, an improvement in the pension plan or a pension purchase within the meaning of Article 52 of these regulations, the Fund may also impose exclusions on health grounds for death and disability coverage. Exclusions shall only apply to the increase in benefits resulting from the change. The provisions in section 1 above also apply to this section.

Article 13 | Information for members

The Fund shall issue an insurance certificate annually, showing the guaranteed benefits and the accrued LPP retirement savings capital.
If there is a discrepancy between the insurance certificate and these regulations, the regulations shall prevail.
Upon request, the Fund shall provide members with information required by law. This information will be provided on the basis of the most recent reports available to the Fund.
In the event of underfunding, the Fund will notify the members and pension recipients, the employer and the pension fund supervisory authority of the extent and causes of the underfunding.
The Fund will record the ratio of the LPP retirement savings capital amount to the entire savings capital amount, including the separate account in existence at the time a pension right is transferred following a divorce or a withdrawal is made for home-ownership purposes. This information must be transmitted if a portion of a vested termination benefit or pension payment is transferred to another pension or vested benefits fund. If this information is not reported by the previous pension or vested benefits fund, the Fund will request it.

Article 14 | Reference salary

The annual reference salary is equal to the assumed AVS salary. Non-salary items (overtime, expenses, profit-sharing, bonuses, long-service payments, family allowances and child allowances) are not taken into consideration, unless otherwise agreed between the Fund and the employer. If the member works and receives compensation on a variable basis, the annual reference salary corresponds to the assumed annual AVS salary that he/she would receive working the full year.
The reference salary cannot exceed ten times the upper limit under Article 8(1) of the LPP.
The annual reference salary is calculated on the day membership begins and every 1 January thereafter. If the annual reference salary changes during the year, an intermediate calculation for the corresponding period shall be carried out.
If the member is employed for less than one year, the annual reference salary corresponds to the annual reference salary that he/she would receive working the full year.
If the member has several pension relationships, and the sum of his/her salaries or income subject to AVS exceeds ten times the upper limit stipulated in Article 8(1) of the LPP, he/she must inform each pension plan of all the existing pension relationships and of the insured salaries or income.

Article 15 | Pensionable salary

The pensionable salary is defined in the pension plan. For employees who are partially disabled within the meaning of the AI, the pensionable salary is determined pursuant to the rules set forth in Article 4 of the OPP2.
The pensionable salary is used to determine the level of benefits and pension financing.
If the member is employed for less than one year, the pensionable salary corresponds to the pensionable salary that he/she would receive working the full year.
If the salary effectively received by an employee temporarily decreases following an illness, accident, unemployment, childbirth or other such circumstances, the pensionable salary will remain unchanged for at least as long as the employer's legal obligation to pay the salary under Article 324a of the Code of Obligations or the duration of the maternity leave under Article 329f of the Code of Obligations, provided that the member does not request a reduction of the pensionable salary.
A change in pensionable salary that takes place after the occurrence of an insured event (death, beginning of incapacity for work) is not taken into consideration for the calculation of benefits resulting from the insured event.
A member who has reached the age of 58 and whose salary has decreased by no more than half may request that his/her pensionable salary be maintained at its previous level until the normal age of retirement at the latest, subject to the provisions of Article 18. The request must however be made prior to the effective reduction of the salary.
For such purposes, both the employer's share and the member's own share of contributions shall be paid by the member. The employer may, by means of notification sent to the Fund, assume responsibility for a portion of the contributions.

CHAPTER IV
BENEFITS

Article 16 | Types of benefits

The Fund guarantees the following benefits, subject to the coordination provisions (Article 38):

a. a retirement pension and/or lump-sum retirement capital
b. a child’s pension for a retired member
c. a disability pension
d. a child’s pension for a disabled member
e. a contributions waiver
f. a surviving spouse’s pension
g. a partner’s pension
h. an orphan’s pension
i. a lump-sum death benefit
j. a vested termination benefit.

Article 17 | Retirement savings capital

For each member, the Fund sets aside a savings capital (hereinafter "retirement savings capital"). The retirement savings capital comprises:

1. the vested termination benefits transferred by the employee upon joining the Fund, along with any purchases
2. annual retirement credits allocated to savings (the relevant rates are listed in the pension plan)
3. interest, where the annual interest rates on the minimum LPP portion and on the supplementary benefit portion are set annually by the Pension Board; retirement savings credits applied during the calendar year in question do not earn interest.

Contributions made in accordance with Articles 43 and 44 are taken into consideration when calculating the retirement savings capital.

RETIREMENT BENEFITS

Article 18 **| Entitlement to benefits**

The member is entitled to retirement benefits on the first day of the month following the month in which he/she reaches normal retirement age.

The member is entitled to receive retirement benefits at the earliest on the first day of the month following his/her 58th birthday.

A member who reduces his/her employment rate no earlier than the first day of the month following his/her 58th birthday can request the partial retirement benefits to which he/she is entitled, provided that the employment rate decreases at least 40% and the annual reference salary (excluding occasional items) decreases in the same proportion. The member's partial right to retirement benefits will correspond to the reduction in the member's employment rate. Only the first two employment rate reductions will be considered. A total of two lump-sum retirement capital payments may be made. An increase in the employment rate will not be taken into account. If a partial retirement benefit is paid, the pension shall not be maintained at the level of the pensionable salary (Article 15).

A member who continues to work for the employer beyond normal retirement age may postpone payment of the retirement pension for up to five years after normal retirement age, in accordance with the provisions of Article 9(3), upon written request and with the employer's agreement. If these conditions are met, the employer and the employee shall continue to make contributions, with the exception of contributions for risk, on the basis of the final age bracket.

If the member dies during the retirement deferral period, only the survivors' pensions shall be due. These pensions shall be determined on the basis of the retirement pension that would have begun the first day of the month following the member's death.

The entitlement to retirement benefits terminates at the end of the month in which the member dies.

Article 19 **| Retirement pension**

The retirement pension is expressed as a percentage of the retirement savings capital accrued at the time the member becomes entitled to benefits. The rates used to determine the retirement pension are shown in the Annex to these regulations. These rates may be modified by the Pension Board, particularly in accordance with the Fund's actuarial tables. In the case of early retirement, these rates are reduced accordingly.

If the retirement pension is paid subsequent to disability benefits, it is considered a disability pension for the application of Articles 38 and 39 if the accident insurance or military insurance continues to pay a disability pension beyond normal retirement age.

Article 20 **| Child's pension for a retired member**

This pension is equal to 20% of the retirement pension. It is paid to the recipient of a retirement pension, for each dependent child below the age of 20, or below the age of 25 if the child is in training or school or is at least 70% disabled within the meaning of the AI.

Article 21 **| Lump-sum retirement capital**

Instead of a retirement pension, the member may require the payment of a lump-sum retirement capital corresponding to all or part of the retirement savings capital on the date entitlement to benefits begins. He/she must inform the Fund of this decision in writing indicating the percentage of the retirement savings capital to be paid in the form of retirement capital. This decision becomes irrevocable once the retirement capital has been paid; if the member is married, the written consent of the spouse is required.

If the member maintains coverage under Article 11 (Article 47a of the LPP) for more than two years, his/her retirement benefits are paid out in the form of a retirement pension. Benefits deriving from a voluntary purchase cannot be paid in the form of capital for at least three years.

If a period of incapacity for work lasts longer than 12 months, the member cannot receive his/her retirement benefit as a lump-sum retirement capital. However, under the LPP, the member may still request that a quarter of his/her retirement benefits be paid out as capital.

For that portion of retirement benefits paid as a lump-sum retirement capital, the Fund is released from payment of any other benefit.

DISABILITY BENEFITS

Article 22 | **Entitlement to benefits**

The following people are entitled to disability benefits:

- those with at least a 40% disability according to the AI and who were insured at the time of the onset of the incapacity for work, the cause of which is the source of the disability, provided they do not already receive retirement benefits from the Fund.

The following people are entitled to minimum LPP disability benefits:

- those who, due to a congenital disease, had a 20–40% incapacity for work when they began their professional activity and who were insured when the incapacity for work, the cause of which is the source of the disability, increased to at least 40%
- those who became disabled before reaching majority (Article 8(2), LPGA) and had a 20–40% incapacity for work when they began their professional activity, provided they were insured when the incapacity for work, the cause of which is the source of the disability, increased to above 40%.

Disability benefits are defined in Articles 23 to 26. The member is entitled to:

a. full benefits if the incapacity for work is at least 70%

b. three-fourths of the benefits if the incapacity for work is at least 60%

c. half of the benefits if the incapacity for work is at least 50%

d. one-fourth of the benefits if the incapacity for work is at least 40%.

In the event that the disability pension is reduced or terminated, the provisions of Article 26a of the LPP concerning provisional maintenance of insurance coverage shall apply, except where the pension is reduced or terminated on the basis of the final provisions of the amendment of 18 March 2011 to the AI.

Article 23 | **Disability pension**

The full disability pension and the waiting period after which it is paid are defined in the pension plan, subject to applicable law.

Payment of this pension is deferred as long as the member receives his/her full salary or an income-replacement benefit that is at least 80% of the lost salary, provided that at least half of this benefit was paid by the employer.

This pension terminates when the incapacity for work ends or at the end of the month in which the recipient dies, but in any event no later than normal retirement age, when the member will be entitled to a retirement pension (Article 18).

Article 24 | **Child’s pension for a disabled member**

The child’s pension for a disabled member is defined in the pension plan.
This pension is paid to the recipient of a disability pension for each dependent child below the age of 20, or below the age of 25 if the child is in training or school or is at least 70% disabled within the meaning of the AI.

Article 25 | **Contributions waiver**

If the member is unable to work, contributions from both the member and the employer are waived, subject to a waiting period defined in the pension plan.
Following this waiting period, the Fund guarantees payment of the contributions allocated to savings.

Article 26 | **Partial disability**

In the case of partial disability, the accrued savings and the pensionable salary are divided in proportion to the degree of disability, in accordance with the rules in Article 22.
That portion of the accrued savings relative to the member’s level of disability shall continue to be incremented by the Fund on the basis of the pensionable salary at the time the incapacity for work occurred. It shall earn interest as long as the member is disabled, but no later than normal retirement age.
That portion of the accrued savings relative to the member’s level of active employment shall be incremented in accordance with the provisions of Article 4 of the OPP2. The first and third paragraphs of Article 21 are applicable to this portion of the savings.
If the member receives partial disability benefits and leaves the employer’s service, he/she is subject to Article 34 et seq. for that portion of the accrued savings corresponding to his/her professional activity.

DEATH BENEFITS

Article 27 **| Entitlement to benefits**

Survivors' benefits shall only be paid:

a. if the member was insured at the time of death or at the onset of the incapacity for work, the cause of which led to his/her death

b. if, at the time of death, the member was receiving a retirement or disability pension from the Fund.

Only minimum LPP survivor's benefits shall be due if:

1. as a result of a congenital disease, the deceased member had a 20–40% incapacity for work when he/she began his/her professional activity and he/she was insured when the incapacity for work, the cause of which is the source of death, increased to at least 40%
2. the deceased member became disabled before reaching majority (Article 8(2) of the Federal Law of 6 October 2000 on general social insurance law, LPGA1), had a 20–40% incapacity for work when he/she began his/her professional activity and was insured when the incapacity for work, the cause of which is the source of death, increased to at least 40%.

Article 28 **| Surviving spouse's pension**

If a married member dies, his/her spouse is entitled to a surviving spouse's pension, the amount of which is set forth in the pension plan. This shall not affect the application of Article 30.

The surviving spouse shall receive the pension beginning on the first day of the month following the month in which the member dies, but not before the entitlement to the full salary ends. Payment of this pension shall terminate upon the death of the surviving spouse.

Payment of the pension shall also terminate if the surviving spouse remarries at any time after 1 January 2018. A one-time benefit equal to three times his/her annual pension shall then be paid to the surviving spouse.

Article 29

Partner's rights and pension

The surviving partner (not a registered civil partner according to the LPart) of an unmarried member (of the same or opposite sex) is treated as a surviving spouse after the member's death, provided however that he or she:

1. does not receive a surviving spouse's pension or partner's pension from a Swiss or foreign pension plan
2. is not married
3. has no family relationship with the member
4. is not the child of the member's ex-spouse
5. cohabited with the member for a minimum of five years prior to the member's death or cohabited with the member at the time of his/her death, while having to maintain one or more of the couple's own children who are entitled to orphan's pensions.

Partner's benefits are only paid if, during his/her lifetime, the member informed the Fund in writing of the partner's details.
If the member dies, his/her partner is entitled to receive a partner's pension in the amount set forth in the pension plan, subject, however, to the provisions of Article 30.
Partners of recipients of retirement benefits are only entitled to a partner's pension if the conditions for a partner's pension were fulfilled before the deceased member retired.
The partner's pension will terminate if the partner remarries at any time after 1 January 2018. A one-time payment equal to three times his/her annual pension will then be made to the partner.

Article 30

Reduction in the surviving spouse's pension or partner's pension

If the surviving spouse or partner is more than ten years younger than the member, the surviving spouse's pension is reduced by 1% per year or fraction of a year exceeding the ten years.
If the member was above retirement age when he/she married, the surviving spouse's pension shall be reduced by 20% for each full or partial year exceeding this age.
If the member was above retirement age when he/she married and, at the same time, suffered from a serious illness that he/she was aware of and which caused his/her death within two years following the marriage, only the minimum LPP pension shall be paid.
In all cases, the minimum benefits according to the LPP are guaranteed.

Article 31

Entitlement of a divorced spouse

A divorced spouse, whose marriage with the deceased lasted at least ten years, is treated in the same way as the surviving spouse in the event of the death of his/her ex-spouse if the divorced spouse received a pension under Article 124e(1) or Article 126(1) of the Civil Code, provided however that the divorced spouse applies to the Fund.
The surviving spouse's pension for the divorced spouse shall not exceed the minimum LPP benefits.
If the surviving spouse's pension plus pensions from other social insurance exceed claims based on the divorce decree, the pension shall be reduced accordingly.
The payment of benefits to the divorced spouse does not affect the legal surviving spouse's pension entitlement.

Article 32

Orphan's pension

If the member dies, the orphan is entitled to a pension, the amount of which is set forth in the pension plan.
The orphan's pension shall be paid beginning on the first day of the month following the month in which the member dies, but not before the right to the full salary ends, to each child below the age of 20, or 25 if the child is in training, school or is disabled within the meaning of the AI at a level of 70% or more.

Article 33 | Lump-sum death benefit

If the member dies before becoming entitled to receive the retirement benefit, the retirement savings capital accrued at the time of death less the amount required to finance the insured survivors' benefits is paid in the form of a lump-sum death benefit.
The value of any voluntary purchases made by the member, less early withdrawals, is in all cases guaranteed. An additional or supplementary lump-sum benefit may also be provided for in the pension plan.
The lump-sum death benefit is paid to the following beneficiaries:

1. *a.* the surviving spouse or the surviving partner, in the full amount

   b. failing him/her, the member's children pursuant to Article 20 of the LPP, in equal proportions

2. failing them, persons largely dependent on the deceased for maintenance, or the person who cohabited with the deceased for an uninterrupted period of at least five years immediately preceding the death, or who must support one or more of the couple's children

3. *a.* failing them, children of the deceased who do not satisfy the conditions in Article 20 of the LPP, in the full amount

   b. failing them, the father and mother, in the full amount

   c. failing them, the siblings, in the full amount

4. failing them, other legal heirs, excluding public bodies, in the amount of one half of the lump-sum death benefit.

Notwithstanding the above paragraph, the member may, upon written request, freely choose the person(s) who they wish to receive the lump-sum death benefit, within sections 1, 3 and 4. He/she must inform the administrator of the Fund in writing of their names and the share of the lump-sum death benefit to be paid to each of them. In all other cases, the lump-sum death benefit shall vest in the Fund.

VESTED TERMINATION BENEFITS

Article 34 | Entitlement to vested termination benefits

If, following termination of employment with the employer, the member leaves the Fund before the occurrence of an insured event, the member is entitled to a vested termination benefit.
Similarly, if a member's disability pension is reduced or terminated due to a reduction in his/her degree of disability, he/she shall be entitled to a vested termination benefit at the end of the period of provisional maintenance of insurance coverage and benefit entitlement stipulated in Article 26a of the LPP, or from the time the disability pension is reduced or terminated if it is reduced or terminated on the basis of the final provisions of the amendment of 18 March 2011 of the AI.

Article 35 | Vested termination benefits

The vested termination benefit, calculated upon termination of employment in accordance with the defined contributions system, is equal to the accrued savings, but no less than the vested termination benefit calculated in accordance with Article 17 of the LFLP. In the event of underfunding, the interest rate provided in Article 17 of the LFLP is equal to the interest rate on retirement savings capital.
In all cases, the minimum LPP retirement savings capital is guaranteed.
Default interest is paid on vested termination benefits 30 days after the Fund has received all necessary information.

Article 36 | Use of vested termination benefits

When employment is terminated, the employer shall inform the Fund immediately and provide it with the member's address. The employer shall also inform the Fund if the member has become unable to work for health reasons. The vested termination benefit is transferred to the new employer's pension plan.
If the member leaves the Fund after the age that he/she becomes eligible for an early retirement pension, he/she is deemed to have taken early retirement, unless he/she continues to be gainfully employed or has registered as unemployed, in which case the vested benefits will be transferred to the new pension fund.
If the member does not join a new pension plan, he/she must inform the Fund in which permissible pension vehicle (vested benefits account or vested benefits policy) he/she elects to maintain his/her pension coverage. If he/she fails to do so, the Fund shall pay the vested termination benefit to the Substitute Pension Plan in accordance with the law.
If the member invests a portion of his/her pension assets in a 1e plan as defined in Article 1e of the OPP2, those assets are not actually vested benefits. Rather, they are the surplus benefits defined in Article 13(1) of the LFLP. With the member's consent, those surplus benefits may be transferred to the pension fund that manages the 1e plan.

Article 37 | Cash payment

The member may request cash payment of the vested termination benefit when:

1. he/she leaves Switzerland permanently (subject to Article 25f of the LFLP)
2. he/she becomes self-employed and is no longer subject to compulsory occupational pension insurance
3. the amount of the vested termination benefits is less than the amount of the member's annual contributions.

If the member is married, cash payment requires the written consent of his/her spouse.

GENERAL PROVISIONS APPLICABLE TO BENEFITS

Article 38 | Coordination with other social insurance

In the event of disability or death, the Fund shall reduce the benefits paid in the form of pensions if, combined with benefits paid by the third parties listed below, they exceed 90% of the annual reference salary taken into consideration by the Fund at the time the incapacity for work begins or death occurs.
Third party benefits taken into consideration include:

1. retirement and survivors' benefits under federal old-age and survivors' insurance (AVS) and disability insurance benefits (AI)
2. accident insurance benefits (LAA)
3. military insurance benefits (LAM)
4. benefits paid by any Swiss or foreign insurance company which were financed in whole or in part by the Fund or the employer
5. benefits paid by other Swiss or foreign social insurance
6. benefits paid by a third party liable for the claim
7. actual or replacement income that a disabled person on full disability pension (within the meaning of Article 22) receives or could reasonably be expected to receive from gainful employment, with the exception of any additional income received while undertaking a new rehabilitation measure under Article 8a of the AI
8. actual or replacement income that a partially disabled person receives or could reasonably be expected to receive from gainful employment (with the exception of any additional income received while undertaking a new rehabilitation measure under Article 8a of the AI) but no less than the annual reference salary that was received at the time of the onset of the incapacity for work, the cause of which is the source of the disability, adjusted for residual earnings capacity.

If any of the third parties listed above pays a lump-sum benefit, it is converted into pension payments in accordance with the Fund's actuarial tables.
If the accident or military insurance rejects or reduces benefit payments on the grounds of contributory negligence on the part of the beneficiary, the Fund does not compensate for the lost benefits.
The Fund may at any time review the conditions and extent of a reduction in benefits and, if the situation has changed significantly, modify benefit payments accordingly.
If the Fund reduces the benefits paid, they shall all be reduced in the same proportion. Any insured benefits not paid by the Fund vest with the Fund.

Article 39 **| Coordination with accident insurance and military insurance**

Unless otherwise agreed, in the event of an accident, the Fund guarantees payment of no more than the LPP benefits. These benefits are reduced, however, in accordance with Article 38 when accident insurance benefits or military insurance benefits are paid for the same insured event.
Notwithstanding the foregoing, the contributions waiver (Article 25), the lump-sum death benefit (Article 33) and the minimum LPP partner's pension (Article 29) are guaranteed in the event of an accident, as defined in the regulations.

Article 40 **| Communications**

The Fund must be notified immediately of any factors that may affect the insurance, such as:

1. the member's marriage, remarriage or divorce
2. any incapacity for work, disability or changes in the level of disability
3. the death of the member or of a pension recipient
4. the end of the professional training of a child who receives a child's pension or the resumption of the professional training of a child entitled to receive a child's pension
5. the remarriage of a widow or widower
6. modifications to benefits paid by the third parties listed in Article 38.

The Fund may require documents evidencing benefit entitlement; failure to produce such documents may result in suspension or termination of benefit payments.
On the basis of documents submitted to it, the Fund may demand the reimbursement of any benefits that were improperly paid.

Article 41 **| Assignment and pledge – subrogation**

Benefit entitlements may not be assigned or pledged before they fall due. This shall not affect the application of Article 43. Upon the occurrence of an insured event, the pension plan is subrogated, up to the limits of the minimum benefits, to the rights of the member, his/her survivors and other beneficiaries defined in Article 33, against any third party liable for the insured event, and may require the assignment of rights for the continuation of benefits.

Article 42 **| Reduction of benefits for gross negligence**

Where the AVS/AI reduces, withdraws or refuses benefits on the grounds that the member's death or disability was caused through gross negligence on the part of the beneficiary or the member refused rehabilitation measures imposed by the AI, the Fund may reduce its benefits in the same proportion.

Article 43 **| Encouragement of home ownership**

In accordance with the LPP, a member may withdraw or pledge his/her benefits for the purpose of acquiring a home for his/her own use.
The applicable rules are set forth in the implementing provisions for the encouragement of home ownership.

Article 44 | Divorce

Swiss law provides that in the event of divorce, the competent court will rule on the spouses' claims in accordance with Articles 122–124e of the Civil Code.

If part of the member's vested termination benefits is transferred in connection with the divorce, the retirement savings capital will be reduced by the amount owed. The benefits arising from the retirement savings capital will be reduced as a result.

The retirement savings capital will be reduced in such a way that the ratio between the compulsory and supplementary portions remains the same.

If part of the pension is transferred in connection with a divorce, the above provisions will apply by analogy.

If the member receives a disability pension before retirement age, the retirement savings capital will be equal to the vested termination benefits that he/she would be entitled to in case of reactivation (hypothetical vested termination benefit).

The amount and use of the vested termination benefit or part of a pension to be transferred depend on the divorce decree that has entered into effect.

The right to receive a divorce pension begins with the entry into force of the divorce decree. The right to receive the divorce pension terminates upon the death of the creditor spouse. The divorce pension does not give rise to any other benefits.

With the agreement of the creditor spouse, the pension may be replaced with a single lump-sum payment. The conversion of the pension into a lump-sum payment is calculated using the Fund's actuarial tables that are in effect at the time the divorce decree enters into effect.

All rights the member's spouse may have against the Fund will be deemed settled upon payment of the lump-sum amount, which shall be made to the creditor spouse's pension fund.

The member may make voluntary purchases in the amount of the transferred benefit. The ratio between the compulsory and supplementary portions shall remain the same following the voluntary purchase. A disabled member may not make voluntary purchases following the transfer of a hypothetical vested termination benefit.

Assets transferred to a member pursuant to a divorce decree are credited to the compulsory and supplementary portions of the retirement savings capital in accordance with the information received from the transferring pension fund.

Foreign divorce decrees providing for the division of pension assets held with a Swiss pension fund must be submitted by the member or recipient to the civil court with jurisdiction over the fund's main office in order to be recognized as binding.

The retirement pension and the vested termination benefit to be transferred will be adjusted if the retirement begins during the divorce proceedings. The reduction will be calculated as follows:

- The vested termination benefit to be transferred shall be converted into a hypothetical retirement pension by means of the conversion rate applied to the calculation of the retirement pension.
- This hypothetical retirement pension shall be multiplied by the number of years elapsed between the beginning of the retirement and the entry into force of the divorce decree. The amount so calculated shall be divided between the two spouses in two equal parts and deducted from the vested termination benefit or the retirement pension.
- For the additional actuarial reduction of the retirement pension in payment, the divided amount shall be multiplied by the actuarial conversion rate in effect at the time the divorce decree entered into effect.
- The retirement pension in payment shall be decreased by the amount of the hypothetical retirement pension and the additional actuarial reduction.

In calculating the actuarial reduction of the retirement pension, the Fund's actuarial tables shall apply. If a disability pension recipient reaches retirement age while divorce proceedings are in course, the above provisions will be applied by analogy.

Article 45 | Benefit payments

The Fund may pay a lump-sum amount instead of a pension when the pension is below 10% of the minimum AVS pension in the case of a retirement pension or disability pension, 6% for a surviving spouse's pension or 2% for a child's pension. In such cases, the member shall have no further claims on the Fund and, in particular, neither the member nor his/her survivors shall be entitled to increases in benefits or to survivors' benefits of any kind.

Pensions are paid at the start of every month. The full amount of the pension is paid in the month in which the entitlement ends.

Non-periodic benefits are paid within 30 days following their due date, but not before the Fund has received all necessary information.

Benefits unduly received must be reimbursed in accordance with legal requirements.

If the Fund is required to pay survivors' or disability benefits after having transferred a vested termination benefit, the Fund must be reimbursed to the extent of the survivors' or disability benefits to be paid. Failing such reimbursement, the benefits will be reduced.

Article 46 | Obligation to advance benefits

If, when entitlement begins, the member is not a member of a pension plan required to pay benefits, his/her last known pension plan must advance the benefits.

Where the pension plan required to pay the benefit is known, the pension plan that advanced the benefits can claim reimbursement.

If the pension plan required to advance the benefit is the Fund, it shall only advance the minimum LPP benefit corresponding to the benefit due.

Article 47 | Pension adjustments

The Fund guarantees that survivors' and disability pensions will be equal to or greater than the minimum LPP pensions, taking into account adjustments to inflation in accordance with the law.

In other cases, and depending on the Fund's financial situation, the Pension Board may decide to adjust pensions in payment. The Pension Board shall decide each year if, and to what extent, these pensions should be adjusted.

Article 48 | Remedial measures

In the event of underfunding, the Fund must apply remedial measures, such as increasing the amount of funding to make up for structural underfunding and/or reducing regulatory benefits. Possible measures include modifying the investment strategy and adjusting the interest rate applied to retirement savings capital in accordance with available funds. These measures must be proportional and appropriate for the level of underfunding, and part of an equitable system. They must also be designed to eliminate the underfunding within an appropriate time period.
If these measures are insufficient, the Fund may decide to apply the following measures, as long as the underfunding lasts:

a. Levy remedial contributions from the employer and employees. The employer's contribution must be equal to or greater than the sum of the employees' contributions.

b. Levy remedial contributions from pension beneficiaries; this contribution is deducted from pensions in payment; it can only be withheld from the part of the pension in payment deriving from increases that, during the ten years preceding the implementation of this measure, were not prescribed by law or pension regulations; it cannot be levied on compulsory retirement, death or disability benefits; it can only be levied on additional benefits over and above the compulsory insurance if the pension amounts set at the time the pension entitlement vests are still guaranteed.

If the measures indicated above are insufficient, and as long as the underfunding lasts, but for no more than five years, the Fund may decide to apply an interest rate of no more than 0.5 percentage points below the minimum rate provided in Article 15(2) of the LPP to the minimum LPP portion of the accrued savings.

CHAPTER V
FINANCING

Article 49 | Contributions

Contributions are due during the insurance period within the meaning of Article 11, until entitlement to retirement benefits begins or until the end of the month in which the member dies, subject to Article 25 (contributions waiver).
Contributions are defined in the pension plan. They are used to finance savings, risk insurance premiums, regulatory contributions to the Security Fund and administrative expenses.
The employer must pay at least half of the total amount of contributions.
The employer shall deduct the members' contribution from their salary. The employer alone shall pay contributions to the Fund.
The contribution rate may be adjusted to guarantee LPP benefits at all times or to cover charges inherent in premiums for death, disability and retirement benefits or to restore the Fund to a balanced financial position in the event of under-funding.

Article 50 | Reserves for the employer's future contributions

The employer may, subject to tax law, pay into a reserve set aside for future contributions. The Pension Board determines the interest rate applicable to this reserve.

Article 51 | Provisions governing contributions and purchases

All vested termination benefits must be transferred upon entry into the Fund. They will be credited to the member's retirement savings capital.
Benefits deriving from a voluntary purchase cannot be paid in the form of capital for at least three years. Voluntary purchases can only be made if all previous withdrawals obtained for the financing of home ownership have been fully repaid.
Purchases made in accordance with Articles 22c and 22d of the LFLP are not subject to this restriction.
The maximum permissible voluntary purchase is reduced by any third pillar assets (pillar 3a) held by the member which exceed the sum of the maximum annual tax-deductible contributions from age 24, in accordance with Article 7(1)(a) of the OPP3.
This amount earns interest at the minimum LPP rate then in effect.
If a member has a vested termination capital that should not be transferred or that should have been transferred to a pension plan under Articles 3 and 4(2bis) of the LFLP, the maximum purchase amount shall be reduced by this amount.
In the case of persons arriving from abroad who have not previously contributed to a pension plan in Switzerland, the maximum permissible annual amount of the voluntary contribution is limited, during the first five years of membership, to 20% of the pensionable salary. The aforementioned limit does not apply to cross-border pension-plan transfers in which:

a. the pension rights and assets are transferred directly from the occupational pension system outside Switzerland to the Fund

b. the member does not seek to claim a deduction in the direct federal, cantonal or communal taxes relating to this transfer.

The member is responsible for providing tax information on cross-border pension-plan transfers to the Fund. The Fund cannot be held liable for the tax implications of providing incorrect information in this regard.

Article 52 | Purchases by members

52.1 Purchase of regulatory benefits

A member may make purchases at any time before the entitlement to old-age, disability or death benefits begins. For members who are partially disabled within the meaning of the AI, purchases may only be made on the proportion of benefits relating to the remaining capacity to work defined in accordance with the rules under Article 4 of the OPP2.

To comply with legal requirements, the maximum permissible purchase cannot result in a retirement pension (or its capitalized value) greater than that which the member would have received by contributing, on the basis of the most recent pensionable salary, beginning on the 1 January from which the member was required to contribute to savings under the pension plan.

If the member has not yet reached retirement age, his/her voluntary purchase cannot exceed the difference between the theoretical retirement savings capital and the accrued savings on the date of the purchase. After retirement age, the maximum voluntary purchase amount will be the difference between the theoretical assets at retirement age and the amount of the accrued savings on the date of purchase.

The foregoing shall not affect the application of legal and tax requirements.

Any member who has exhausted the purchase possibilities defined above and takes early retirement with a retirement pension may make a purchase in the 30 days prior to early retirement in order to offset the reduction in benefits.

The Fund calculates the maximum purchase amount based on the member's intended retirement date and communicates the amount to the member upon request.

52.2 Purchases for early retirement

If the member has exhausted the purchase possibilities defined in Article 52.1, and if he/she has informed the Fund of his/her decision to take early retirement (Article 18), the member can make additional contributions at most once per year to partially or fully offset the shortfall in retirement benefits caused by early retirement. That shortfall is the difference between the member's projected retirement benefits at the normal retirement age and the member's actual retirement benefits when he/she retires early.

The voluntary purchases that are made for early retirement, including their interest, do not affect death and disability coverage, except in the following circumstances:

- If the member dies before becoming entitled to receive the retirement benefit, the voluntary purchases made for early retirement, including their interest, are considered for the application of Article 33.
- If the member is entitled to disability benefits from the Fund, the voluntary purchases made for early retirement, including their interest, are immediately paid to the member in the form of a lump-sum disability payment, in proportion to his/her level of disability, in accordance with Article 22.
- If the member was already receiving partial disability benefits from the Fund when he/she made voluntary purchases for early retirement, the disability payment to be made is based on the member's increased entitlement to disability benefits, in accordance with Article 22.

If the member does not take his/her early retirement at the anticipated date, no savings contributions will be deducted. The benefits paid on the actual retirement date may not, under any circumstances, exceed the benefits that would be paid out at the normal retirement age by more than 5%. This does not include the voluntary purchases for early retirement. Any savings that exceed this 5% limit shall be forfeited to the Fund.

Article 53 | Voluntary purchases and payments by the employer

The employer may make voluntary purchases for the benefit of members or voluntary payments to improve members' benefits, within legal and tax-related limits and the limits of Article 52.

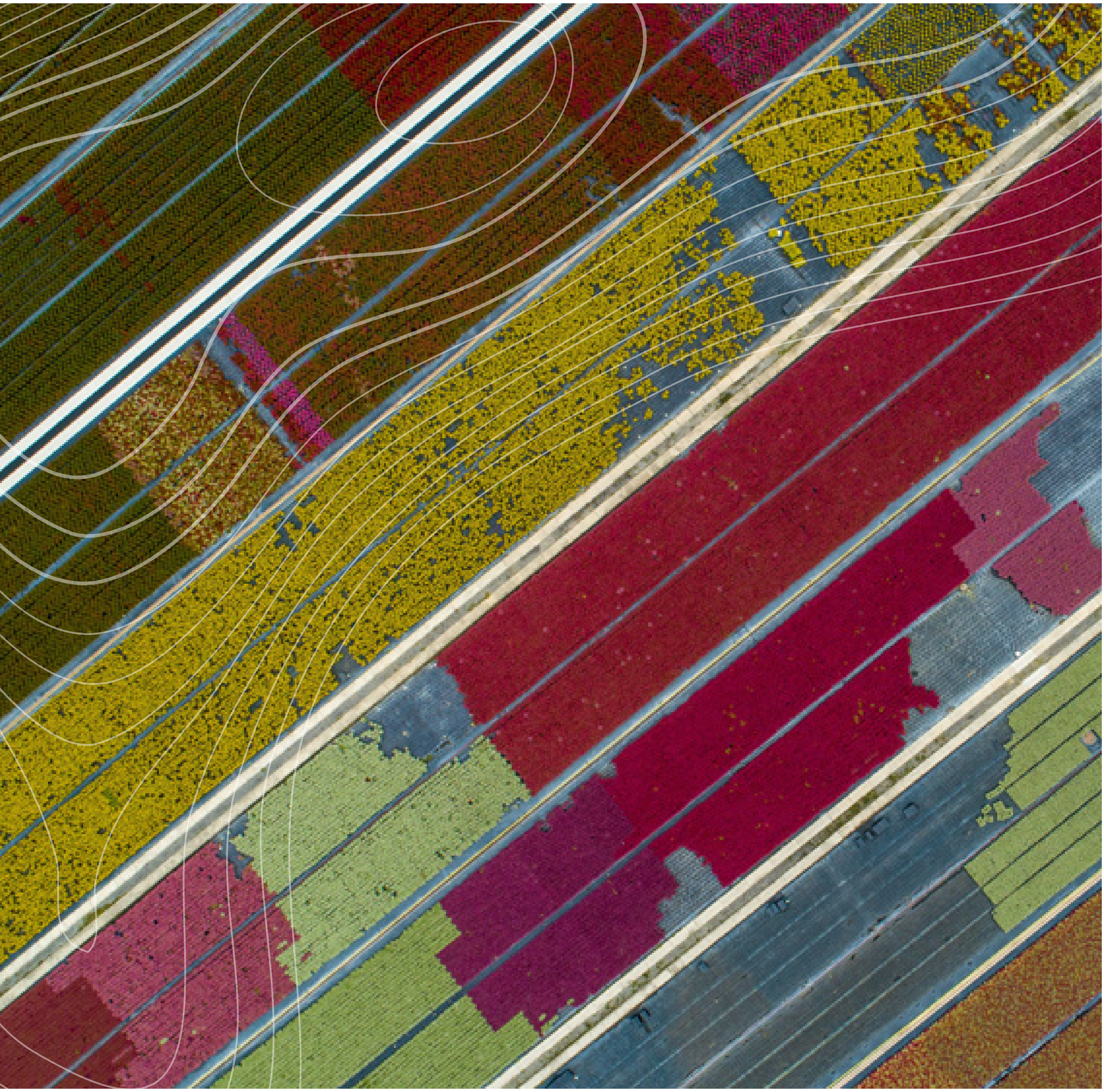
CHAPTER VI
LIQUIDATION

Article 54 | **Partial liquidation**

The conditions and procedure to be applied in case of partial liquidation are defined in separate regulations.

Article 55 | **Total liquidation**

If the Fund is wound up (total liquidation), the pension fund supervisory authority shall verify compliance with the conditions and procedure and approve the distribution plan.



CHAPTER VII
FINAL PROVISIONS

Article 56 | Security Fund

The Fund is a member of the Security Fund. It pays the Security Fund a contribution as required by law. Subsidies from the Security Fund are used in accordance with the law and Pension Board guidelines.

Article 57 | Amendments

The Pension Board may amend these regulations provided it complies with the law and the Fund Statutes. The pension fund supervisory authority must be informed of any amendments.

Article 58 | Situations not addressed by the regulations

Situations that are not specifically addressed by these regulations will be resolved by the Pension Board, in accordance with the law.

Article 59 | Disputes

Disputes involving a member, beneficiary, employer and/or the Fund shall be brought before the competent cantonal court.

Article 60 | Data protection

The employer shall provide the Fund with the data the Fund requires to set up employee pensions and delegates the processing of such data to the Fund.
The Fund shall ensure that the data is handled in a confidential manner, in accordance with the legal requirements of the Federal Act on Data Protection (LPD) and the LPP's provisions on data protection (Article 85 et seq. of the LPP). The Fund and the employer may contract third parties to help them set up the pension relationships. In particular, the Fund delegates administrative, technical and accounting services to a third party. The member takes note thereof and agrees to his/her personal data being recorded and processed by those third parties. The third parties are also subject to the duties of confidentiality arising from the LPP and the LPD.

Article 61 | Translation

These regulations were written in French and may be translated into other languages.
In the event of a discrepancy between the French-language version and any translation, the French version shall prevail.

Article 62 | Transitional provisions

In the event of disability, or of retirement or death following a case of disability, the regulatory provisions in force at the beginning of the incapacity for work, the cause of which led to the disability or death, shall apply. The foregoing shall not apply in cases where the insurance was taken over from a third-party pension fund.
By way of exception to the first paragraph, the conversion of the retirement capital into a retirement pension shall be based on the rate provided in the regulations in force at the time of the conversion.

Article 63 | Effective date

These regulations are effective as of 1 January 2021. They cancel and supersede previous regulations. The following documents form an integral part of these occupational pension fund regulations:

- the implementing provisions for the encouragement of home ownership
- the Annex
- the pension plan.

ANNEX (SEE ARTICLE 19)

| Retirement pension

The conversion rate for converting the retirement savings capital into a retirement pension is based on the member's age, gender and the Fund's technical bases at the time the member becomes entitled to receive benefits.
The Fund's current conversion rates are as follows:

	Until 31 December 2021		From 1 January 2022		From 1 January 2023		From 1 January 2024		From 1 January 2025	
Retirement age	Men	Women	Men	Women	Men	Women	Men	Women	Men	Women
70	6.75%	-	6.69%	-	6.63%	-	6.57%	-	6.50%	-
69	6.60%	6.75%	6.54%	6.69%	6.48%	6.63%	6.42%	6.57%	6.35%	6.50%
68	6.45%	6.60%	6.39%	6.54%	6.33%	6.48%	6.27%	6.42%	6.20%	6.35%
67	6.30%	6.45%	6.24%	6.39%	6.18%	6.33%	6.12%	6.27%	6.05%	6.20%
66	6.15%	6.30%	6.09%	6.24%	6.03%	6.18%	5.97%	6.12%	5.90%	6.05%
65	6.00%	6.15%	5.94%	6.09%	5.88%	6.03%	5.82%	5.97%	5.75%	5.90%
64	5.85%	6.00%	5.79%	5.94%	5.73%	5.88%	5.67%	5.82%	5.60%	5.75%
63	5.70%	5.85%	5.64%	5.79%	5.58%	5.73%	5.52%	5.67%	5.45%	5.60%
62	5.55%	5.70%	5.49%	5.64%	5.43%	5.58%	5.37%	5.52%	5.30%	5.45%
61	5.40%	5.55%	5.34%	5.49%	5.28%	5.43%	5.22%	5.37%	5.15%	5.30%
60	5.25%	5.40%	5.19%	5.34%	5.13%	5.28%	5.07%	5.22%	5.00%	5.15%
59	5.10%	5.25%	5.04%	5.19%	4.98%	5.13%	4.92%	5.07%	4.85%	5.00%
58	4.95%	5.10%	4.89%	5.04%	4.83%	4.98%	4.77%	4.92%	4.70%	4.85%

In the event of early retirement, the conversion rate is reduced by 0.15% each year. If retirement is deferred, the conversion rate is increased by 0.15% each year.

These rates are applied to the total retirement savings capital accrued when the member reaches retirement age (including both regulatory and supplementary benefits). The rates may be modified at any time by the Pension Board, especially depending on the technical bases used.

In all cases, the LPP retirement savings amount is guaranteed.

This Annex forms an integral part of these occupational pension fund regulations. It takes effect on 1 January 2021.

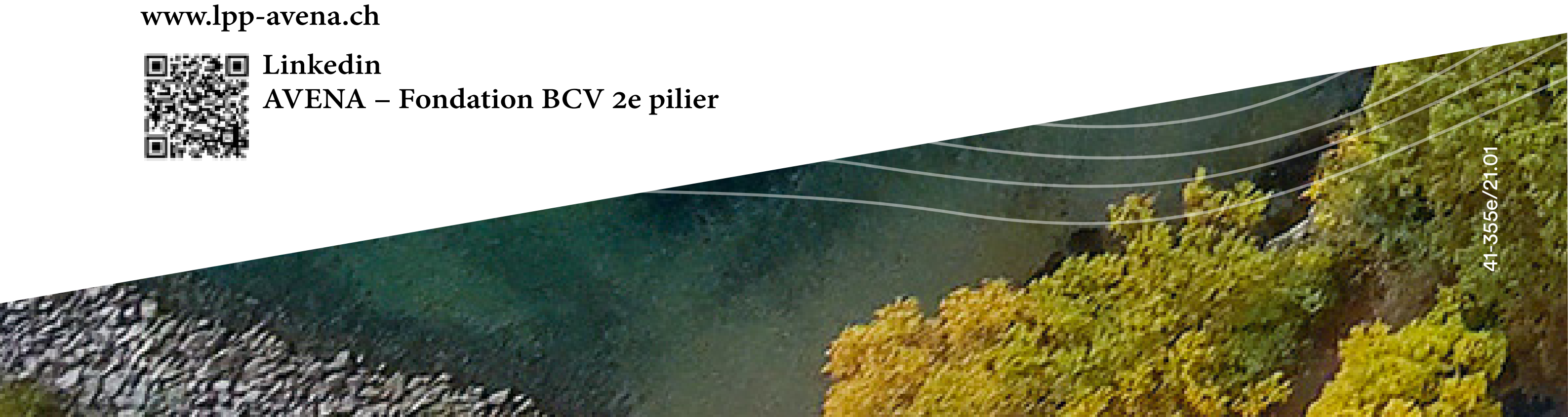
AVENA – Fondation BCV 2e pilier

AVENA
Fondation BCV 2e pilier

Avena
Fondation BCV 2e pilier
Place Saint-François 14
Case Postale 300
1001 Lausanne

www.lpp-avena.ch

Linkedin
AVENA – Fondation BCV 2e pilier



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