



Looking ahead with confidence

Occupational pension fund regulations for
self-employed members who join without staff 2024
Last updated on 1 January 2024

AVENA

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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. |
| Self-employed member | An individual who is gainfully self employed and has signed a Membership Agreement with the Fund. |
| Member | A self-employed person 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. |
| Reference age | Reference age for retirement within the Swiss social security system (AVS) |
| 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. |
| LPGA | Federal Law on General Social Insurance Law. |

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**
Self-employed persons may join the Fund without their staff in the context of optional insurance coverage pursuant to Article 44 of the LPP.
- The self-employed person joins the Fund to insure himself or herself against the economic consequences of retirement, disability and death.
- 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 self-employed member 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.
- The Pension Committee of each company has the authority to request that a distribution plan be put in place for uncommitted assets in accordance with recognized criteria, and to approve the selected criteria.
- 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 self-employed members, members and beneficiaries.
- For issues not addressed by these regulations, the law shall apply.

CHAPTER III

MEMBERSHIP

Article 9

| Pension-plan members

All self-employed members who join without their staff are insured in accordance with these regulations beginning on 1 January following their 17th birthday.

The following categories of members are not insured:

1. Self-employed persons 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. Persons who are self-employed for less than three months.
3. Self-employed persons who have reached the reference age and are not covered by a measure of the kind provided for in Article 33b of the LPP.
4. Self-employed persons 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.

For self-employed persons working part-time, the Fund does not provide optional insurance for the salary received from other employers.

Article 10

| Beginning of risk coverage

The risks of death and disability are covered, at the earliest, from 1 January following the member's 17th birthday.

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

The self-employed person's membership to the Fund takes effect on the date stipulated in the Membership Agreement. Insurance coverage is provided for as long as the Membership Agreement remains in effect.

Insurance coverage ceases upon termination of the Membership Agreement, but no later than when the member reaches the reference age, or if the conditions of membership are no longer met. The provisions below governing the postponement of retirement benefits beyond the reference age in Article 18 remain applicable.

Upon termination of the Membership Agreement, the self-employed person continues to be covered for death and disability risks until he/she joins a new pension plan, but no later than one month after the termination of the Membership Agreement.

Article 12

| Health exclusions

12.1 Upon joining the Fund

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 three 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 three 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 or 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.

12.2 In the event of an increase in benefits

In the event of a salary increase, an improvement in the pension plan or a pension purchase within the meaning of Article 51 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, the pensionable income and the accrued regulatory and 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, as well as 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 reference salary for a self-employed person corresponds to the three-year moving average of the salaries freely declared to the Fund but up to a maximum of the estimated AVS salaries, provided that these salaries do not 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 self-employed person works 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 works for less than one year, the pensionable salary corresponds to the pensionable salary that he/she would receive working the full year. 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.

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 36, 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 the reference 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 take partial retirement, provided that the employment rate decreases at least 20% and the annual reference salary (excluding occasional items) decreases in the same proportion. The member's right to receive partial retirement benefits in the form of a lump-sum payment will correspond to the reduction in the member's employment rate. A total of three lump-sum payments may be made, including any lump-sum payments received from another pension fund. If a member has already made three lump-sum withdrawals, the rest of his/her retirement savings shall automatically be transformed into a monthly pension. 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 beyond the reference age may postpone payment of the retirement pension for up to five years after the reference age, in accordance with the provisions of Article 9(3), upon written request.

If these conditions are met, the contributions shall continue to be made, 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.

Beyond the reference age, no disability benefits shall be paid out by the Fund. In the event of partial or total incapacity for work, the member shall receive retirement benefits following the waiting period for the contributions waiver defined in the pension plan, but no later than five years after the reference age has been reached.

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 the reference 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.

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 disability pension is paid out on the basis of the degree of disability, as follows:

| Degree of disability according to the AI | Percentage of the full disability pension paid out by the Fund | Degree of disability according to the AI | Percentage of the full disability pension paid out by the Fund |
|--|--|--|--|
| Less than 40% | 0% | 46% | 40% |
| 40% | 25% | 47% | 42.5% |
| 41% | 27.5% | 48% | 45% |
| 42% | 30% | 49% | 47.5% |
| 43% | 32.5% | 50% to 69% | Degree of disability according to the AI |
| 44% | 35% | 70% or more | 100% |
| 45% | 37.5% | | |

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.

Any change in the degree of a person's incapacity for work and/or disability shall lead to a reassessment of his/her entitlement to benefits.

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.

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 the reference 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 the member are waived, subject to a waiting period defined in the pension plan.

If the member is unable to work, the Fund guarantees payment of the contributions allocated to retirement savings for up to 12 months following this waiting period. Beyond that period, the member must be recognized as disabled within the meaning of the AI.

Article 26

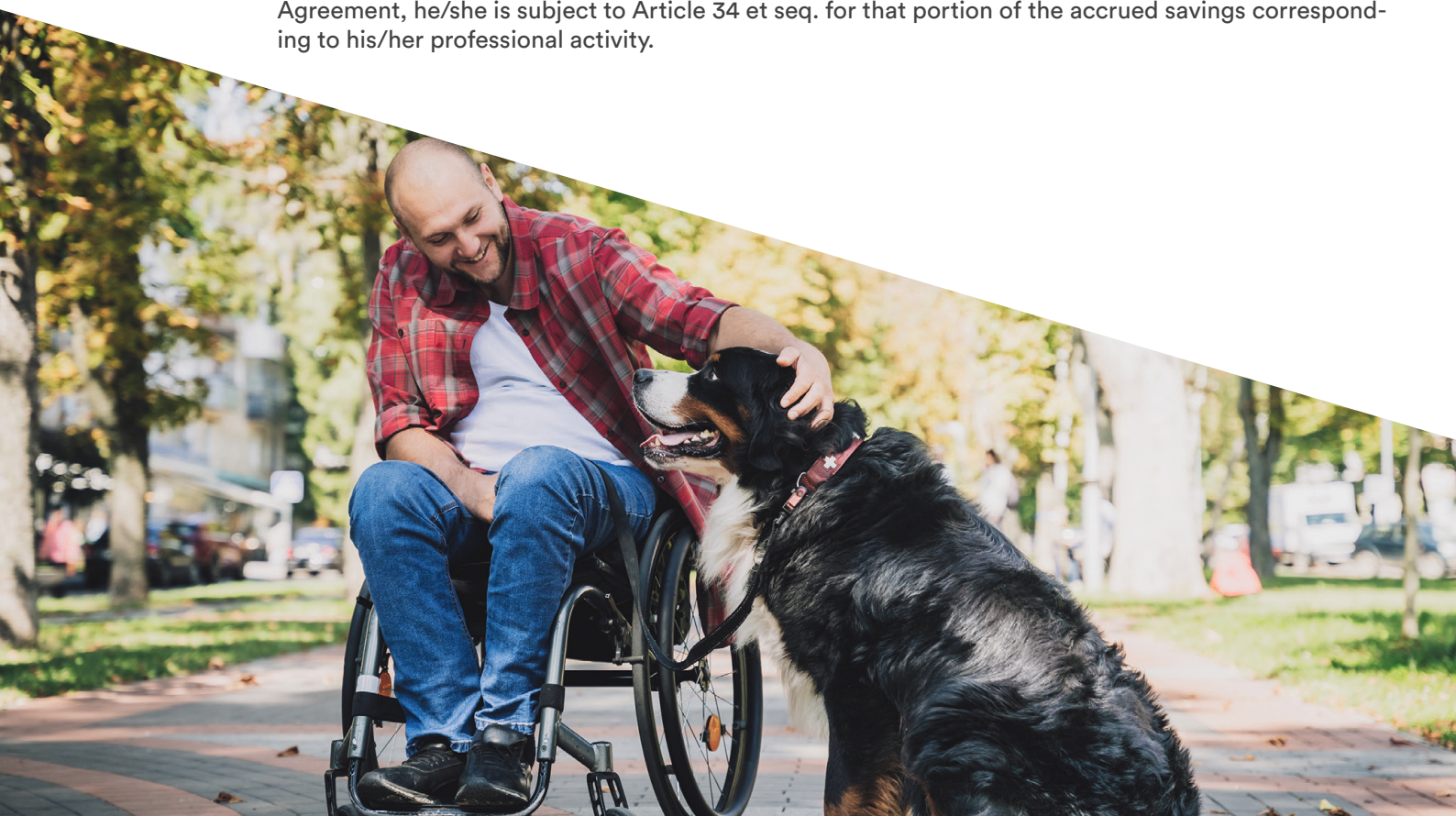
| Partial disability

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 the reference 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 self-employed member receives partial disability benefits and terminates the Membership Agreement, 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 LPGA), 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. 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 as described in Article 95 of the Civil Code
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.

The partner of a recipient of retirement benefits is only entitled to his/her 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. 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 the reference 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 the reference 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 divorced spouse is entitled to the surviving spouse's pension for the same length of time as the benefits would have been paid under Articles 124e(1) or 126(1) of the Civil Code.

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.

The surviving spouse's pension for the divorced spouse shall be terminated if the divorced spouse remarries.

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, in the full amount
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 the Membership Agreement, 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 the Membership Agreement 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.

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 the Membership Agreement is terminated, the member shall inform the Fund immediately and provide it with his/her address. The member shall also inform the Fund if he/she has become unable to work for health reasons. The vested termination benefit is transferred to the new pension fund.

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 fund, 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 self-employed member
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 Federal Law on Disability Insurance
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 Federal Law on Disability Insurance) 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 the reference 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. In the case of foreign divorce decrees, the jurisdiction of Swiss courts alone shall be recognized in claims to occupational pension assets held in a Swiss occupational 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 the reference 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 self-employed member.
- 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 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 underfunding.

Article 50

| 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 Article 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 51

| Purchases by members

51.1 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 the reference 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 the reference age, the maximum voluntary purchase amount will

be the difference between the theoretical assets at the reference 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.

51.2 Purchases for early retirement

If the member has exhausted the purchase possibilities defined in Article 51.1, 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 reference 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 reference 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.



CHAPTER VI

LIQUIDATION

Article 52

| Partial liquidation

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

Article 53

| 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 54 | Security Fund

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

Article 55 | 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 56 | 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 57 | Disputes

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

Article 58 | Data protection

The self-employed member 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 self-employed member 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.

Data protection is discussed in a notice that is available on the Fund's website.

Article 59 | Translation

These regulations were written in French. They have been translated into German and English.

In the event of a discrepancy between the French-language version and any translation, the French version shall prevail.

Article 60 | 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 61

| Disabled members at 31 December 2021

Where a member became entitled to receive a disability pension before 1 January 2022, the disability pension is only modified if, following a review of the AI disability entitlement after 31 December 2021, the degree of disability changes by more than 5 percentage points relative to the degree of disability at 31 December 2021. If the degree of disability is modified, the transitional provisions of the amendment of 19 June 2020 (Continued Development of the AI) set out in the LPP apply mutatis mutandis.

If the degree of disability increases, the amount of the disability pension will be equal to or greater than the disability pension at 31 December 2021.

If the degree of disability decreases, the amount of the disability pension cannot exceed the disability pension at 31 December 2021.

The child's pension for a disabled member will be modified accordingly.

Article 62

| Effective date

These regulations are effective as of 1 January 2024. 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:

| Age of retirement | After 1 January 2024 | | After 1 January 2025 | |
|-------------------|----------------------|-------|----------------------|-------|
| | Men | Women | Men | Women |
| 70 years old | 6.57% | - | 6.50% | 6.65% |
| 69 years old | 6.42% | 6.57% | 6.35% | 6.50% |
| 68 years old | 6.27% | 6.42% | 6.20% | 6.35% |
| 67 years old | 6.12% | 6.27% | 6.05% | 6.20% |
| 66 years old | 5.97% | 6.12% | 5.90% | 6.05% |
| 65 years old | 5.82% | 5.97% | 5.75% | 5.90% |
| 64 years old | 5.67% | 5.82% | 5.60% | 5.75% |
| 63 years old | 5.52% | 5.67% | 5.45% | 5.60% |
| 62 years old | 5.37% | 5.52% | 5.30% | 5.45% |
| 61 years old | 5.22% | 5.37% | 5.15% | 5.30% |
| 60 years old | 5.07% | 5.22% | 5.00% | 5.15% |
| 59 years old | 4.92% | 5.07% | 4.85% | 5.00% |
| 58 years old | 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 the reference 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 capital amount is guaranteed.

This Annex forms an integral part of these occupational pension fund regulations.

It takes effect on 1 January 2024.

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