

Pension Fund Regulations

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Definitions

AHV

Federal Old-Age and Survivors' Insurance

AHV reference age

Age on the first day of the month after completion of the 65th year

For women of the transitional generation, the AHV reference age is:

Female Chort	AHV reference age
1960 (up to and including)	64 years
1961	64 years and three months
1962	64 years and six months
1963	64 years and nine months
1964 (from)	65 years

AHVG

Federal Act on Old-Age and Survivors' Insurance

AHVV

Regulation on Old-Age and Survivors' Insurance

BVG

Federal Act on Occupational Pension Schemes for Retirement, Survivors and Disability

BVV 2

Regulation on Occupational Pension Schemes for Retirement, Survivors and Disability

Registered partnership

Registered partnership as defined by the Partnership Act (PartG)

Entering a partnership under PartG with the registrar's office corresponds to marriage. Persons living in registered partnerships are equivalent to spouses. The court dissolution of a registered partnership is equivalent to a divorce

Company

A company that has contractually joined the JJS

Employees

The persons in an employment relationship with the company

FZG

Federal Act on Vested Benefits in Occupational Pension Schemes

FZV

Regulation on Vested Benefits in Occupational Pension Schemes

Hypothetical termination benefits

Termination benefits equivalent to the retirement assets continued for disabled insured persons for the event that they re-enter gainful employment, to which they are entitled if disability no longer applies

Insured persons

Employees insured with the JJS

IV

Federal Disability Insurance

JJS

Johann Jakob Sulzer Foundation ("Johann Jakob Sulzer Stiftung")

OR

Swiss Code of Obligations (Federal Act on Supplementing the Swiss Civil Code)

Pensioner or pension recipient

Recipient of JJS pension benefits (old age, disability and survivors' benefits, lifelong pension to the divorced spouse)

Reference age

The reference age is defined in accordance with the pension plan

SVE

Sulzer Pension Fund Foundation ("Sulzer Vorsorgeeinrichtung")

UVG

Federal Act on Accident Insurance

ZGB

Swiss Civil Code

Wherever these regulations refer to persons using male and female forms, they also apply for the other gender.

The German language version of the regulations is binding.

1 General provisions

1.1 Foundation and insurance principles

Art. 1 Name and purpose of the foundation

- 1 The “Johann Jakob Sulzer Stiftung” (Johann Jakob Sulzer Foundation), whose registered address is in Winterthur, is a foundation as defined in articles 80 et seq. ZGB and articles 331 et seq. OR.
- 2 The purpose of the Johann Jakob Sulzer Foundation (JJS) is to provide an occupational benefit scheme to the management of the affiliated companies (company), as well as their survivors, against the economic consequences of age, disability and death.
- 3 The JJS provides the occupational benefit scheme, in accordance with the provisions of these regulations, at its own expense. It can reinsure individual risks with a reinsurance company that reports to the official insurance supervisory authority.
- 4 The JJS is managed by a Board of Trustees (see art. 57).

Art. 2 Affiliation agreement

The basis for the legal relationship between the affiliated company and the JJS is the affiliation agreement, which governs their mutual rights and obligations.

Art. 3 Pension Fund Regulations and Pension Plan

- 1 These Pension Fund Regulations govern the relationship between the JJS and the insured persons, persons entitled to a pension, and the affiliated companies.
- 2 The type and level of the pension benefits and their financing are specified in the Pension Plan, which is an integral part of these Pension Fund Regulations.

1.2 Information, notification and reporting obligations

Art. 4 Information of insured persons

- 1 Every insured person receives an annual statement showing the retirement assets, insured salary, contributions, insured benefits, and vested benefits. The JJS informs insured persons in a suitable manner about its organisation and financing, as well as about the members of the Board of Trustees, on an annual basis. Insured persons are sent an abridged report annually and, on request, an annual report that includes the annual financial statements.
- 2 Upon marriage, insured persons are informed of their vested benefits.
- 3 In the event of divorce, insured persons or the divorce court are provided with information regarding the level of the assets that are applicable for the calculation of the vested benefits to be divided. On request, pursuant to article 19k FZV, insured persons or the court may be provided with further details in addition to this information.

Art. 5 Information and reporting obligations

- 1 Insured persons, pension recipients and their survivors entitled to benefits undertake faithfully to provide the JJS with all relevant information, in particular:
 - a) all changes to marital status (marriage, births, deaths, divorce, etc.) as well as any receipt of third-party benefits (art. 49), within four weeks;
 - b) any changes to the pension and vested benefits institution of the insured person’s divorced spouse to whom a lifelong pension is transferred.
- 2 Furthermore, recipients of disability pensions must inform the JJS immediately, unbidden and in writing, of any qualifying income pursuant to article 49 – specifically of any earned income, changes to this or any changes in their degree of disability and the level of their disability pension, as well as benefits and/or adjustments to benefits provided by other social insurance schemes.

- 3 Persons entitled to benefits are liable to the JJS for the consequences of omissions, incorrect or late information.
- 4 On request, the pension recipient must submit an official life certificate to the JJS.

1.3 Start and end of the insurance

Art. 6 Admission to the JJS

- 1 Under reserve of paragraph 2, employees shall be admitted to the JJS
 - a) who are insured with the SVE (Sulzer Pension Fund), and
 - b) whose annual salary exceeds the minimum salary stipulated by the Board of Trustees (see Supplement).

Admission takes place when the employment relationship begins, or in the event of a contract amendment.

- 2 Employees who have already reached the reference age defined in their pension plan shall not be admitted.
- 3 Employees re-joining the company will be treated in the same way as new staff.

Art. 7 Capacity for work

- 1 If a person has full capacity for work on admission to the JJS, an entitlement to benefits exists in accordance with these Pension Fund Regulations.
- 2 If a person does not have full capacity for work before or on admission to the JJS without being disabled for this incapacity for work as defined by the BVG, and if the cause of this incapacity for work results in disability or death over the period applicable for the BVG, there is no entitlement to benefits in accordance with these Pension Fund Regulations.

Art. 8 Voluntary continued insurance

- 1 Insured persons whose employment relationship has been terminated by the company may continue their insurance at the company's request. The Board of Trustees shall determine any additional conditions (cf. Appendix 3).
- 2 Insured persons who are employed outside the EU/EFTA for an affiliated company and make contributions to the voluntary AHV in accordance with article 2 AHVG may continue their insurance with the company's consent.
- 3 Insured persons put on leave by the company for a maximum of two years may remain in the JJS. The insurance shall be continued as long as the contributions (savings and risk contributions) continue to be paid undiminished. If only the risk contributions are paid, insured persons shall remain insured against the risks of death and disability; the retirement assets shall continue to accrue with interest.

If, however, the contributions (savings and risk contributions) are no longer paid, insurance cover shall continue for the first month after cessation of contribution payments. If the insured event occurs after the last day of that month, but before resumption of work, insured persons are entitled to termination benefits in accordance with article 38 et seq., calculated from the time at which contribution payments cease and increased with the interest for the time since elapsed.

If contribution payments are resumed after the leave has elapsed, the retirement assets shall continue to be increased with retirement credits from this point in time.

Art. 9 End of the insurance

- 1 If the employment relationship of an insured person with the company does not end due to retirement, disability or death, the insured person shall be discharged from the JJS; Article 8 remains reserved. The departing insured person shall be entitled to termination benefits as defined in articles 38 et seq.
- 2 Insured persons shall continue to be insured for disability or death until the establishment of a new pension scheme, but for no longer than one month after termination of the previous pension scheme.
- 3 Should the JJS be liable to provide survivors' or disability benefits after transferring the termination benefits, the latter must be reimbursed, insofar as this is required to pay out the survivors' and disability benefits. The survivors' and disability benefits shall be reduced if no reimbursement is made.

1.4 Basis for calculating contributions and benefits

Art. 10 Applicable annual salary

- 1 The applicable annual salary forms the basis for determining the insured salary.
It is based on the salary system applied by the company (pursuant to the affiliation agreement).
- 2 The maximum insurable applicable annual salary is restricted to ten times the upper limit pursuant to article 8 paragraph 1 BVG.

Art. 11 Insured salary

- 1 The insured salary for the retirement and the risk benefits corresponds to the applicable annual salary in accordance with article 10 reduced by the coordination deduction and forms the basis for the measurement of the contributions and benefits.
- 2 The coordination deduction is equivalent to the maximum applicable annual salary as determined in the SVE (cf. Supplement).
- 3 The maximum applicable salary used to calculate the insured salary for both the retirement and the risk benefits, as well as the minimum insured salary are defined in the Pension Plan.
- 4 The insured salary is defined for the first time when an employee is admitted to the JJS. Later adjustments are based on the salary system applied by the company (in accordance with the affiliation agreement). Paragraphs 5, 6 and 8 remain reserved.
- 5 If an insured person's working week or his/her annual salary is reduced, the insured salary shall be recalculated. If the insured salary falls below the minimum salary as defined in the Supplement, the insured person can no longer be insured and must leave the JJS.
At the company's written request, the previous annual salary can continue to be insured for a maximum of 2 years. These contributions shall be collected via the company.
- 6 If the annual salary is reduced by no more than half between the age of 58 and reaching the reference age as defined in the pension plan, the insured person may continue to insure their previous insured salary.
Continued insurance of the previous insured salary shall cease no later than when the employment relationship is terminated, and in any event when the reference age as defined in the pension plan is reached.
The contributions for the continued insurance are defined in the Pension Plan. These contributions shall be collected via the company.
- 7 The insured salary applicable for the calculation of disability pensions (or the survivors' pensions of active insured persons) shall be equivalent to the average of the insured salaries on which contributions were levied during the three years preceding the claim.
- 8 For partially disabled persons, the maximum insured salary for the retirement and the risk benefits defined by the Pension Plan and the coordination deduction shall be reduced in accordance with the disability pension entitlement (art. 26).

Art. 12 Retirement assets

- 1 For each insured, an individual retirement account shall be kept that reflects their retirement capital.
Retirement assets consist of:
 - a) the annual retirement credits;
 - b) the admission fee paid;
 - c) repayments of advance withdrawals for residential property;
 - d) amounts transferred and credited within the framework of a pension compensation on divorce;
 - e) amounts credited due to additional voluntary contributions made after a divorce;
 - f) additional voluntary contributions;
 - g) any further deposits;
 - h) annual interest on the retirement account in accordance with paragraph 3;less any advance withdrawals for residential property and payments made in the event of divorce.
- 2 The retirement accounts of all insured who are at least 25 years old are credited with a retirement credit at the end of every calendar year.
The level of annual retirement credits is determined by the Pension Plan.
- 3 The following conditions apply to the management of the retirement account:

- a) The interest rate shall be defined by the Board of Trustees.
 - b) Interest is calculated on the accrued retirement capital at the end of the previous year and is credited to the retirement capital at the end of each calendar year. The retirement credits for the calendar year in question are added to the retirement capital without interest.
 - c) If an admission fee or extra contribution is paid, it shall bear interest in the relevant calendar year from the date of receipt of the payment.
 - d) Insured persons joining the trust during the course of a calendar year shall receive a pro rata retirement credit corresponding to the period for which they were insured.
 - e) If an insured person leaves the JJS during the calendar year, the interest for the current year on the accumulated retirement assets as at the end of the previous year for the time since passed shall be credited. To this shall be added the retirement credit corresponding to the insurance period elapsed in the relevant calendar year.
- 4** In the event of total disability, the retirement assets shall be continued with interest and retirement credits. The continuation begins with the entitlement to a JJS disability pension, but at the earliest after the continued payment of salary elapses or cessation of entitlement to salary replacement benefits (art. 27), and ends when the disability pension expires (art. 28). The retirement credits for continuation of the retirement assets shall be measured on the basis of the insured salary for the retirement benefits at the start of incapacity for work and the current retirement credits as defined in the Pension Plan (see also art. 11 para. 1 and 3). If the Pension Plan offers a choice of savings options, the retirements shall be continued in accordance with the Basic Plan savings option (art. 13 para. 7).
- 5** In the event of partial disability, the retirement assets at the start of the entitlement to a JJS disability pension and the insured salary at the start of the incapacity for work are divided according to the disability pension calculation. The retirement assets corresponding to the disability portion are continued in accordance with paragraph 4 as for a fully disabled insured person, while the retirement assets corresponding to the active portion are continued as for a fully employable insured person.

2 Income

Art. 13 Contributions

- 1 JJS benefits are financed by contributions from the company and insured persons.
The amount and allocation of the contributions are defined in the Pension Plan.
- 2 Insured persons may make their contributions as stipulated in the Pension Plan according to the Basic Plan, Comfort Plan or Super Plan savings options. The choice is made when joining the JJS. In the absence of written notification, the Basic Plan shall apply in accordance with the Pension Plan. The savings plan chosen may be altered on a yearly basis, effective as of 1 July. The JJS must be informed in writing using the application form available online or at mypkSVE by 31 May at the latest. In the absence of written notification, the most recently chosen savings plan shall remain in force.
- 3 Insured persons' contributions shall be deducted from their salaries in 12 monthly instalments and transferred to the JJS on a monthly basis.
The company's contributions shall be transferred to the JJS, together with the insured persons' contributions, or debited from employer contribution reserves, should there be any.
- 4 The company's and insured persons' contributions may be financed temporarily, in full or in part, by another pension scheme, if such a scheme stipulates an equivalent purpose. The beneficiaries must be informed of the scope and duration of any contribution reductions.
- 5 The obligation to contribute begins on admission to the JJS, and, subject to paragraph 6 and article 11 paragraph 5, ends when:
 - a) the reference age as defined in the pension plan is reached;
 - b) the employment relationship is terminated;
 - c) the salary falls below the minimum stipulated in the Supplement.
- 6 In the event of an accident, sickness or military service, the requirement to pay contributions applies for as long as the salary or compensation for loss of earnings is paid out. The contributions will be deducted from the continued salary or from the salary replacement benefit.
- 7 Exemption from contributions in the event of disability begins with the entitlement to a JJS disability pension, but at the earliest after the continued payment of salary elapses or cessation of entitlement to salary replacement benefits, and ends with the termination of the disability pension. The insured salary for the retirement benefits at the time the incapacity for work begins and disability pension entitlement as defined by the JJS shall be applicable. Exemption from contributions is based on the retirement credits held in the Pension Plan (art. 12 para. 4) and also includes future age-related increases in the retirement credits. If the Pension Plan offers various savings options, the Basic Plan savings option shall apply in the event of exemption from contributions. Higher retirement credits in accordance with a higher savings option (Comfort Plan or Super Plan) cease to be permissible once exemption from contributions has begun.

Art. 14 Admission fee

- 1 Insured persons are obliged to transfer any termination benefits from former pension schemes to the JJS as an admission fee, unless such benefits have not been used as an admission fee to the SVE. This admission fee shall be credited to the insured person as retirement assets.
- 2 The entry fee becomes due on admission to the JJS.
- 3 Insured persons shall allow the JJS to examine the statements of termination benefits from previous pension schemes.

Art. 15 Additional voluntary contributions (voluntary purchases)

- 1 If they are fully able to work, insured persons may increase their retirement assets with one or more voluntary deposits and thereby improve the benefits insured for them. In such cases, the maximum retirement assets shall be equivalent to the total retirement credits in accordance with the Pension Plan; if the Pension Plan offers various savings options, the maximum retirement assets shall be calculated on the basis of the savings option selected (see Appendix to the Pension Plan). Maximum additional voluntary contributions are calculated as the difference between the maximum permissible retirement assets and the retirement assets already accumulated at the time of the additional voluntary contribution, subject to paragraph 7 and article 60a BVV 2. The insured salary at the time of the additional voluntary contribution shall apply.
- 2 It is possible to buy benefit reductions in the event of early retirement (cf. art. 21).
- 3 It is permissible to make voluntary purchases after reaching the reference age up to a level equivalent to the performance target at reference age as defined in the pension plan.
- 4 The JJS does not provide any guarantee that the contributions are tax-deductible.
- 5 The company may pay additional voluntary contributions on behalf of insured persons.
- 6 If sums withdrawn early in order to purchase residential property can no longer be repaid due to age limits, insured persons may make additional voluntary contributions before drawing retirement benefits, insofar as, together with the advance withdrawals, they do not exceed the maximum permissible pension entitlements.
- 7 For persons relocating from abroad who have never been members of a pension scheme in Switzerland, the annual additional voluntary contribution may not exceed 20% of the insured salary in the first five years after joining a Swiss pension scheme. Once the five years have elapsed, the JJS shall enable those insured persons who have not yet purchased full regulatory benefits to make such an additional voluntary contribution.

3 JJS Benefits

3.1 Overview

Art. 16 Insured benefits

- 1 Within the framework of the below provisions, the JJS shall grant insured persons or their survivors the following benefits:
 - Retirement pension and/or retirement lump sum
 - Disability pension
 - Disabled person's child benefit
 - Exemption from contributions
 - Spouse's pension or settlement
 - Partner's pension or settlement
 - Orphan's pension
 - One-off lump sum on death
- 2 The insurance benefits listed above are granted on the express proviso of articles 9 (para. 3), 49 to 52. Furthermore, the payment provisions of article 48 shall apply to these benefits.

3.2 Retirement benefits

Art. 17 Entitlement to retirement benefits

- 1 The entitlement to retirement benefits arises on termination of the employment relationship, but no earlier than on the first day of the month after completion of the 58th year of age and no later than on the first day of the month after completion of the 70th year of age.
- 2 The retirement benefit is paid in the form of a retirement pension (art. 18) and/or retirement lump sum (art. 19).
- 3 Anyone drawing a retirement benefit in accordance with articles 17 et seq. cannot claim a disability pension as defined in articles 24 et seq.
- 4 Instead of retirement benefits, insured persons may also claim termination benefits as defined in article 38 et seq. if they leave the JJS before reaching the reference age as defined in their pension plan and continue to be employed, or are registered as unemployed (art. 2 para. 1^{bis} FZG).

Art. 18 Retirement pension

- 1 The retirement pension is determined on the basis of the retirement assets accumulated at the time of retirement and the conversion rate in accordance with Appendix 1. The level of retirement assets available after any withdrawal shall apply.
- 2 The maximum retirement pension may be equivalent to a maximum of 300% of the maximum AHV retirement pension (cf. Supplement). Retirement assets not required to finance the retirement pension shall be paid out as a retirement lump sum.
- 3 At the time of retirement, insured persons have the option to increase the reversionary spouse's pension from 60% of the retirement pension paid to 100%. In order to finance this, the conversion rate pursuant to Appendix 1 shall be reduced accordingly. If insured persons wish to adjust the reversionary spouse's pension, they must notify the JJS in writing no later than one month before the first payment of the retirement pension. The written declaration of a married insured person is only valid if it is co-signed by the spouse. The JJS may request certification of the signatures at the insured person's expense.

Art. 19 Retirement capital

- 1 Instead of the retirement pension, the retirement assets can be drawn as a retirement lump sum in full or in part.
- 2 The JJS must be notified in writing of any lump-sum withdrawal, as well as the amount involved, at least three months before the withdrawal.

- 3 If an insured person is married, the lump-sum withdrawal is only permissible if the spouse consents in writing. The JJS may request certification of the signatures and verification of the marital status at the insured person's expense.
- 4 If additional voluntary contributions were made during the three years before the withdrawal, the resulting benefits may not be drawn as a lump sum (art. 79b para. 3 BVG). The JJS does not provide any guarantee that the contributions are tax-deductible.
- 5 In the event of a lump-sum withdrawal, all benefits shall be reduced to the extent of the withdrawal. In the event of a full withdrawal, no further claims may be made of the JJS.

Art. 20 Partial retirement

- 1 If an insured person's applicable annual salary is permanently reduced by at least 20% after he/she has reached the age of 58, he/she may apply for partial retirement to the extent of the reduction. The above provisions (art. 17 et seq.) shall apply mutatis mutandis to the partial retirement pension or the partial retirement lump sum. The retirement assets equivalent to the partial retirement shall apply when determining the partial retirement pension or partial retirement assets. The partial retirement benefits shall be equivalent to the extent of the salary reduction, and must not exceed it. The maximum insured salary and the maximum coordination deduction shall be reduced to the extent of the partial retirement. The maximum insured salary for retirement benefits and risk benefits as well as the coordination deduction shall be reduced to the extent of the partial retirement.
- 2 Partial retirement may be taken in a maximum of three steps, whereby the reduction of the applicable annual salary must amount to at least 20% at each step. The third step leads to full retirement. One lump-sum withdrawal may be made per step, whereby a step comprises all withdrawals of retirement benefits in lump-sum form within a calendar year.

Art. 21 Purchase of benefit reduction in the event of early retirement

Insured persons retiring before reaching the reference age defined in their pension plan have the option of buying into the retirement pension applicable to the reference age indicated on their insurance certificate (art. 15 para. 2). The contribution required for this purpose shall be determined according to the principles of the JJS.

Art. 22 Gainful employment after the age of 65

- 1 Insured persons who continue to work beyond the reference age defined by the SVE (age 65) may either draw the retirement benefits due in accordance with article 17 or defer drawing their retirement benefits until the employment relationship is terminated. In accordance with the pension plan, insured persons may, at their request, continue to make contributions to the pension scheme for the duration of the deferral, provided that the company permits this for its employees pursuant to the affiliation contract. In such cases, both the company and the insured person(s) shall make savings contributions in accordance with the pension plan. Risk contributions will no longer be levied. The JJS must be notified in writing of the extension of the pension cover with contributions at least one month before the party concerned reaches the age of 65. If the pension cover is continued on a non-contributory basis, the retirement assets shall remain with the JJS during the deferral period. Retirement benefits shall become due no later than when the insured person reaches the age of 70.
- 2 The retirement pension shall be calculated on termination of the deferral based on the retirement assets accrued at that time. If the insured person dies before ending employment, the spouse's or partner's pension and the orphan's pension shall be calculated in accordance with articles 32 et seq., 35 and 36 in the same manner as for the recipient of a retirement pension. The basis for this is the retirement pension determined at the time of death in accordance with article 18 paragraph 1.
- 3 If the insured person reduces his working week, he may request partial retirement in accordance with article 20.

Art. 23 Retirement at the company's request

- 1 If insured persons leave the company for operational reasons before reaching the reference age as defined in the pension plan, the level of their pension shall be determined by the company's bindingly defined regulations.
- 2 The company must remunerate the JJS for the additional retirement assets required.

3.3 Disability benefits

Art. 24 Disability

- 1 Disability is given if an insured person is disabled as defined by the Federal Disability Insurance.
- 2 For the recognition of disability and definition of the disability pension entitlement, the legally valid decision of the IV shall apply.

Art. 25 Entitlement to a disability pension

- 1 Under reserve of paragraph 2, insured persons are entitled to a disability pension who:
 - a) are at least 40% disabled and were insured with the JJS at the time when the incapacity for work arose and the cause of which resulted in the disability, or
 - b) were at least 20% but less than 40% incapacitated for work as a result of a congenital condition when starting employment and were at least 40% insured when the incapacity for work, the cause of which resulted in the disability, increased, or
 - c) became disabled as minors, were for that reason at least 20% but less than 40% incapacitated for work when starting employment, and were at least 40% insured when the incapacity for work, the cause of which resulted in the disability, increased.
- 2 Insured persons who become disabled after reaching the reference age as defined in the pension plan or have already reached retirement age shall not be entitled to a disability pension.

Art. 26a Scope of the disability pension

Insured persons are entitled to a disability pension, the level of which is determined as a proportional percentage of a full pension as follows:

- a) in the event of a degree of disability of 50–69% as defined by the IV, the proportional percentage will be equivalent to the degree of disability;
- b) in the event of a degree of disability of 70% and above as defined by the IV, insured persons will be entitled to receive a full pension;
- c) in the event of a degree of disability of below 50% as defined by the IV, the following proportional percentages will apply:

Degree of disability	49%	48%	47%	46%	45%	44%	43%	42%	41%	40%
Proportional percentage	47,5%	45,0%	42,5%	40,0%	37,5%	35,0%	32,5%	30%	27,5%	25,0%

Art. 26b Revision of the disability pension

A disability pension, once determined, will be increased, reduced or revoked if the degree of disability changes by at least 5 percent. The legally valid decision of the IV to revise the pension shall be applicable.

The precautionary cessation of pension payments shall be subject to article 26b BVG.

Art. 27 Deferral of the disability pension

The entitlement to a disability pension is deferred for as long as the company continues to pay the salary or compensation for loss of earnings equivalent to at least 80% of the lost salary.

Art. 28 End of entitlement to a disability pension

- 1 Entitlement to a disability pension ceases on the death of the beneficiary or, subject to article 26a BVG, when disability no longer applies, at the latest, however, when the insured person reaches the reference age as defined in the pension plan.
- 2 Any child benefits paid together with the disability pension shall lapse at the same time as the disability pension.
- 3 When insured persons reach the reference age as defined in paragraph 1, the disability pension shall be replaced by a retirement pension. The retirement pension may be drawn in the form of a lump sum, either in full or in part.

The level and measurement of the retirement pension and the requirements for a lump-sum withdrawal are determined by the Pension Plan.

- 4 Partially disabled insured persons who leave the JJS shall continue to receive the partial disability pension as well as any associated child benefits. Furthermore, a termination benefit in accordance with article 38 et seq. shall be paid for the active portion. The continuously insured survivors' benefits shall be determined on the basis of the partial disability pension.

Art. 29 Level of the full disability pension

The level of the full disability pension is defined in the Pension Plan.

Art. 30 Disabled person's child benefit

- 1 Recipients of a disability pension are entitled to child benefit for each child who could claim an orphan's pension in the event of their death (art. 36).
- 2 The level of the disabled person's child benefit is defined in the Pension Plan.

Art. 31 Exemption from contributions

In the event of a disability pension being claimed from the JJS, both the company and the disabled person concerned are exempt from the contribution obligation, but at the earliest after the continued payment of salary elapses or cessation of entitlement to salary replacement benefits (see art. 13 para. 7).

3.4 Survivors' benefits

Art. 32 Entitlement to a spouse's pension

- 1 If a married insured person or person recipient dies, the surviving spouse shall be entitled to a spouse's pension, insofar as on occurrence of the insured event the surviving spouse:
 - a) is responsible for the maintenance of one or more children, or
 - b) has completed his/her 45th year and the marriage lasted at least five years, or
 - c) draws a pension from the Federal Disability Insurance.
- 2 If the surviving spouse fulfils none of the requirements under paragraph 1, he/she shall be entitled to a one-off settlement equivalent to three times the annual sum of the spouse's pension.

Art. 33 Level of the spouse's pension

- 1 The level of the spouse's pension is defined in the Pension Plan.
- 2 If the surviving spouse is more than 10 years younger than the deceased insured person or pension recipient, the spouse's pension shall be reduced by 3% for each full year that exceeds this age difference. The reduction shall be decreased by 1/20 for each full year of marriage.
- 3 Pension portions that were granted to the divorced spouse of the insured person or pension recipient by a court in the context of pension compensation on divorce (art. 41 et seq.) shall no longer be considered for the calculation of the spouse's pension. This shall also be the case if the divorced spouse of the insured person or pension recipient, having been granted a share of the pension, dies.

Art. 34 Start and end of the entitlement to a spouse's pension

- 1 Entitlement to a spouse's pension begins on the first day of the month following the death of the insured person or pension recipient, but at the earliest on termination of continued salary payments or payments for loss of earnings.
- 2 Entitlement shall lapse at the end of the month in which the surviving spouse dies or remarries.
In the event of remarriage, the surviving spouse shall receive a one-off settlement as a final payment that shall be equivalent to three times the annual total of the spouse's pension.

Art. 34^{bis} Lump-sum payment instead of spouse's pension

- 1 The surviving spouse who meets the requirements of article 32 paragraph 1 may draw a one-off, lump-sum settlement instead of the spouse's pension due to them.
The lump-sum settlement is calculated actuarially in compliance with the JJS's technical principles. The reduction rule under article 33 paragraph 2 shall apply mutatis mutandis.
- 2 The JJS must receive notification of the lump-sum settlement, in writing and signed in person, no later than three months after the death of the insured person or pension recipient. The JJS may, at the expense of the surviving spouse, request certification of the signature and confirmation of legal capacity. Any pension payments already made shall be deducted from the lump-sum settlement.

- 3 In the event of a lump-sum settlement, no further claims shall be raised against the JJS.

Art. 35 Entitlement to a partner’s pension

- 1 If an unmarried insured person is proven to have lived with an unmarried, unrelated partner in the same household for at least five years without interruption until his/her death and if he/she was maintained or supported by the insured person to a significant degree, the partner shall be entitled to the same benefits as a surviving spouse, if the mutual support obligation was agreed in writing under a support agreement (see Appendix 2a). This agreement must be submitted to the JJS during the insured person’s lifetime. After the insured person’s death, the surviving partner shall claim their entitlement to a partner’s pension using appropriate documentation. The JJS verifies the entitlement on the basis of the actual circumstances applicable at that time.

If the surviving partner is more than 10 years younger than the deceased insured person, the partner’s pension shall be reduced by 3% for each full year that exceeds this age difference, as in article 33 paragraph 2. The reduction shall be decreased by 1/20 for each full year of partnership.

- 2 In addition to the conditions listed in paragraph 1, the surviving partner must fulfil one of the three following conditions on occurrence of the insured event:
- a) he/she must provide for the maintenance of one or more children, or
 - b) he/she has completed his/her 45th year at the time of death, or
 - c) he/she draws a pension from the Federal Disability Insurance.
- 3 If the partner does fulfil the requirements under paragraph 1, but not those under paragraph 2, he/she is entitled to a one-off settlement equivalent to three times the annual total of the partner’s pension.
- 4 If the surviving partner already receives a 2nd-pillar spouse’s or partner’s pension, entitlement to both a partner’s pension and a one-off settlement shall lapse.

Art. 36 Orphan’s pension

- 1 If an insured person or pension recipient dies, each of his/her children below the age of 18 shall be entitled to an orphan’s pension. This shall be granted until completion of their 18th year. For children who are still in education or have limited or no capacity for work due to a physical or mental illness, the pension entitlement shall exist until they have completed their 25th year, provided that the AHV equally extends the duration of the benefit entitlement.
- 2 Foster children as defined in article 49 AHVV and stepchildren shall be entitled to an orphan’s pension only if the insured person or pension recipient was responsible for their maintenance.
- 3 The level of the orphan’s pension is defined in the Pension Plan.
- 4 Entitlement to an orphan’s pension arises on the first day of the month that follows the death of the insured person or pensioner, but at the earliest on expiry of the continued salary payment or payment for loss of earnings.

Art. 37 One-off lump sum on death

- 1 If an insured person or recipient of a disability pension dies before reaching the reference age as defined in the pension plan, the survivors listed below shall be paid a one-off lump sum on death.
- The level and requirements for payment of the lump sum on death are defined in the Pension Plan.
- 2 Regardless of inheritance law, the following persons are entitled in the following order:
- a) the surviving spouse;
 - in his/her absence, the children of the deceased insured person or recipient of a disability pension who are entitled to an orphan’s pension in accordance with article 36;
 - b) in the absence of beneficiaries in accordance with point a) above:
 - the persons supported by the deceased insured person or the deceased recipient of a disability pension to a significant degree or the person who lived in a partnership with the deceased insured person or the deceased recipient of a disability pension over the past five years before his/her death without interruption, or who must provide the maintenance of one or more joint children, provided that they do not draw a widower’s or widow’s pension (art. 20a para. 2 BVG);
 - c) in the absence of beneficiaries in accordance with point b) above:
 - those children of the deceased insured person or the deceased recipient of a disability pension who are not entitled to an orphan’s pension in accordance with article 36;
 - in their absence: the parents;
 - in their absence: the siblings.

Persons as defined in point b) are entitled to a pension only if they were reported in writing to the JJS during the lifetime of the insured person or recipient of a disability pension (see Appendix 2b).

- 3** The insured person or recipient of a disability pension may change the beneficiary groups [point a), b) or c)] set above under paragraph 2 at any time by written declaration to the JJS as follows:
 - summarise the beneficiaries in accordance with a) and b) if beneficiaries exist in accordance with paragraph 2 point b);
 - summarise the beneficiaries in accordance with point a) and c) if beneficiaries are absent in accordance with paragraph 2 point b);
 - change the order of the beneficiaries under point c) or summarise the beneficiaries under point c).Notification must be received by the JJS during the lifetime of the insured person or recipient of a disability pension (see Appendix 2b). The JJS shall verify their entitlement on the basis of the actual circumstances applicable at that time.
- 4** The insured person or recipient of a disability pension may define at his/her discretion the division of the lump sum on death among the beneficiaries within a group of beneficiaries [point a), b) or c) in accordance with paragraphs 2 and 3] by written declaration to the JJS (see Appendix 2b). Notification must be received by the JJS during the lifetime of the insured person or recipient of a disability pension. In the absence of such notification, all beneficiaries within a group of beneficiaries are entitled to the lump sum on death in equal shares.
- 5** In the absence of entitled parties in accordance with paragraphs 2 and 3, the lump sum on death shall revert to the JJS.

4 Vested benefits and home ownership

4.1 Leaving the JJS

Art. 38 Entitlement to and level of termination benefits

- 1 If the employment relationship is terminated by the insured person or the company without an insured event (age, death or disability), the insured person shall leave the JJS and be entitled to termination benefits.
- 2 The same applies to insured persons who fulfil the requirements for early retirement in accordance with article 17 paragraph 1. Instead of the retirement benefits, they may also claim termination benefits (see art. 17 para. 5).
- 3 Termination benefits shall become due when the insured person leaves the JJS.
- 4 The termination benefits shall be equivalent to the retirement assets accumulated with the JJS (art. 12), but at least the minimum sum as defined in article 17 FZG. In the event of continued insurance in accordance with article 11 paragraph 6 as well as appendix 3 of the Pension Fund Regulations, pursuant to article 17 paragraph 1 FZG, no surcharge shall be levied on contributions.
- 5 If a company has paid an additional voluntary contribution in full or in part, the corresponding sum shall be deducted from the termination benefits. This deduction shall be reduced in accordance with the agreement concluded, but at least by one-tenth of the amount paid by the company for each completed full year of contributions. The unused portion shall revert to the company's contribution reserve account.

Art. 39 Use of the termination benefits

- 1 If the insured person joins another occupational pension scheme, the JJS shall transfer the termination benefits to the new occupational pension scheme.
- 2 Insured persons who do not join a new occupational pension scheme must either inform the JJS whether the termination benefits shall be used to open a vested benefits account or order a vested benefits policy. In the absence of such notification, the termination benefits plus interest shall be transferred to the substitute occupational benefits institution 6 months at the earliest, but at the latest two years, after the insured person's departure.
- 3 Insured persons may request a cash payment of the termination benefits if:
 - a) they are permanently leaving Switzerland and the Principality of Liechtenstein, or
 - b) they take up self-employment and no longer have to be insured under a compulsory occupational benefits scheme, or
 - c) the termination benefits amount to less than their annual contribution.
- 4 If an insured person is married, the spouse must give their written consent to the cash payment. The JJS may request certification of the signatures and verification of the marital status at the insured person's expense.

If additional voluntary contributions were made during the three years before the insured person's departure, the resulting benefits may not be drawn in cash (art. 79b para. 3 BVG). The JJS does not provide any guarantee that the contributions are tax-deductible.

4.2 Promotion of home ownership

Art. 40 Advance withdrawal and pledging

- 1 Up to three years before the occurrence of the entitlement to retirement benefits, insured persons may claim a sum (at least CHF 20,000) for the purchase of a home for their own use (purchase or construction of residential property, participation in residential property or repayment of mortgage loans). Own use is considered to be personal use, i.e. the insured person uses the property as their domicile or normal place of residence.

They may also pledge this sum or their entitlement to benefits for the same purpose.
- 2 Up to the age of 50, insured persons may withdraw or pledge a sum equal to their termination benefits. Insured persons over the age of 50 may at most withdraw the termination benefits to which they would have been entitled at the age of 50, or one half of the benefits accrued at the time of withdrawal.

Advance withdrawal may be claimed every five years.

If additional voluntary contributions were made during the three years before advance withdrawal, the resulting benefits may not be withdrawn early (art. 79b para. 3 BVG). The JJS does not provide any guarantee that the contributions are tax-deductible.

- 3 Insured persons may submit a written request for information concerning the amount available to them for home ownership and the reduction to benefits associated with such a withdrawal. The JJS shall arrange supplementary insurance to cover the resulting insurance gap, and shall remind the insured persons in question of their tax obligations.
- 4 If insured persons make use of the advance withdrawal or pledging options, they must submit the contractual documents relating to the purchase or construction of the residential property, the amortisation of mortgage loans, the rules or the tenancy or loan agreements in the case of shares purchased with the institution financing the construction, and the corresponding certificates in the event of similar kinds of participation.

For married insured persons, the written consent of the spouse must be submitted in addition. The JJS may request certification of the signatures and verification of the marital status at the insured person's expense.

- 5 The JJS shall pay out the advance withdrawal six months after insured persons have claimed their entitlement at the latest. If the JJS has insufficient funds, it may impose a limit regarding the timing and amount of an advance withdrawal that is to be used to repay a mortgage loan, or may refuse the advance withdrawal entirely. The JJS must inform insured persons of the duration of these measures.
- 6 Should the JJS's liquidity be placed at risk by such advance withdrawals, the JJS may defer the processing of applications. Applications will be processed in the order in which they are received, but applications for mortgage repayments may be delayed.
- 7 Advance withdrawals reduce the retirement assets by the amount withdrawn. The insured retirement benefits are reduced in accordance with the advance withdrawal sum. The reduction in insured survivors' benefits associated with advance withdrawals is determined in the Pension Plan. Any (partial) reimbursement of the sum withdrawn in advance is handled in the same way as an additional voluntary contribution as defined in article 15. The reduction of the insured survivors' benefits shall be adjusted according to the (partial) repayment.
- 8 In accordance with the Supplement to the Pension Fund Regulations, the JJS charges a handling fee for advance withdrawals for residential property.
- 9 Furthermore, the provisions on the Federal Act on Promoting Home Ownership and its enforcement regulations shall apply.

5 Divorce

Art. 41 General

For pension compensation, the corresponding legal provisions, including execution regulations, as well as the ruling of the Swiss divorce court, which is binding for the JJS, shall apply.

Art. 42 Pension compensation for termination benefits

1 If an insured person divorces and if, on the basis of the divorce court's ruling, the JJS has to transfer a portion of the termination benefits accrued during the marriage to the divorced spouse's pension scheme, the insured person's existing retirement assets shall be reduced by the sum transferred. The insured benefits are reduced in proportion to the sum transferred in the same way as stated in article 40 paragraph 7.

The insured person may pay in a sum in accordance with article 15 corresponding to the transferred portion of the termination benefits.

2 If a benefit claim relating to age arises during the divorce proceedings, the JJS shall reduce the portion of the termination benefits to be transferred under the ruling of the divorce court and the retirement pension. The reduction corresponds to the amount by which the pension payments would have been lower until the final divorce ruling if their calculation had been based on retirement assets reduced by the transferred portion of the termination benefits. The reduction shall be halved between the two spouses subject to any other order in the ruling of the divorce court. In addition, the retirement pension shall be permanently adjusted, from the moment the divorce ruling enters into force, on the basis of the retirement assets still available after the compensation.

Art. 43 Pension compensation for disability pensions

1 If the marriage of an insured person receiving a disability pension at the time of the divorce proceedings being initiated is dissolved and the JJS has to transfer part of the hypothetical termination benefits accrued during the marriage to the pension scheme of the divorced spouse under a ruling of a divorce court, the continued retirement assets of the disability pension recipient (art. 12) shall be reduced by the sum transferred. The insured benefits are reduced in proportion to the sum transferred in the same way as stated in article 40 paragraph 7. A claim to a disability pension already existing at the time of divorce proceedings being initiated shall remain unchanged until the insured person reaches the reference age as defined in the pension plan.

2 If an insured person receiving a disability pension reaches the reference age as defined in the pension plan during the divorce proceedings, the JJS shall reduce part of the hypothetical termination benefits to be transferred under the ruling of the divorce court and the retirement pension. The reduction is equivalent to the amount by which the pension payments would have been lower between the insured person reaching the reference age as defined in the pension plan and the divorce ruling becoming final if their calculation had been based on retirement assets reduced by the transferred part of the hypothetical termination benefits. The reduction is halved between the two spouses subject to a contrary order in the ruling of the divorce court. In addition, the retirement pension shall be permanently adjusted on the basis of the retirement assets still available after compensation, once the divorce ruling has become final.

3 The retirement pension recipient is not entitled to pay in a sum in accordance with article 15 corresponding to the hypothetical termination benefits.

Art. 44 Pension compensation for retirement pensions

1 If an insured person receives a retirement pension at the time of the divorce proceedings being initiated and the court grants the spouse of the insured person a portion of the retirement pension, the insured person's retirement pension shall be permanently reduced by the pension portion granted once the divorce ruling has become final.

2 The retirement pension recipient is not entitled to pay in a sum in accordance with article 15 corresponding to the transferred portion of the pension.

Art. 45 Child benefits

- 1 Claims to disabled person's child benefits already in existence when divorce proceedings are initiated shall remain unaltered until the recipient of a disability pension from whom the disabled person's child benefits are derived reaches the applicable reference age. Thereafter, the disabled person's child benefits paid together with the disability pension shall lapse as the disability pension.
- 2 If a disabled person's child benefits as defined in paragraph 1 remained unchanged, the orphan's pension shall be calculated on the same basis.

Art. 46 Transfer of the lifelong pension granted to the spouse

- 1 If the spouse of the insured person is granted a portion in the insured person's retirement pension by a court, the JJS shall pay out the pension portion directly in the form of a lifelong pension or transfer it to his/her pension scheme.
- 2 The spouse may demand direct payment of the lifelong pension if he/she has obtained an entitlement to a full pension of the disability insurance during the pension compensation or at a later date, or has attained the legally earliest possible retirement age.
- 3 If the insured person's spouse has reached the statutory reference age at the time of pension compensation, unless other instructions are expressly issued, the lifelong pension shall be paid out to him/her directly. The same applies from the time when he/she has reached the statutory reference age receiving the pension compensation.
- 4 In the other cases, the lifelong pension shall be transferred to his occupational pension. The insured person's spouse may also request a transfer as a lump sum rather than a pension transfer. The JJS must be notified of a lump-sum transfer in writing. Any such application is irrevocable from this point. The conversion to a lump sum is calculated in accordance with the JJS's technical principles. The lump-sum transfer settles all claims of the insured person's spouse against the JJS.

The insured person's spouse must provide the name and payment address of his pension fund or vested benefits institution. In the absence of such notification, six months at the earliest, but at the latest two years after the deadline for such a transfer, the sum shall be remitted to the substitute occupational benefits institution in question. In principle, subsequent transfers shall be made to the substitute occupational benefits institution annually until the requisite notification is provided.

- 5 No further benefits may be derived from the lifelong pension. On the death of the insured person's spouse, his/her claim to a lifelong pension shall lapse and no further claims may be made against the JJS.

Art. 47 Termination benefits or lifelong pension transferred as a result of divorce

- 1 If a spouse insured with the JJS is granted termination benefits or a lifelong pension from a divorced spouse (under a court ruling), the said benefits or pension shall be treated like an additional voluntary contribution as defined in article 15.
- 2 If the spouse entitled to compensation is already receiving a retirement or disability pension from the JJS, he/she may no longer pay the termination benefits or lifelong pension granted into the scheme. These funds shall be transferred to him/her directly, or to a vested benefits institution or the substitute occupational benefits institution.

6 Joint provisions for benefits

Art. 48 Payment provisions

- 1 With the exception of the lifelong pension under paragraph 5 transferred to the pension scheme of the insured person's divorced spouse, the pensions shall be calculated in annual amounts and paid in advance to the beneficiaries in monthly instalments rounded up to the nearest figure in Swiss francs.
- 2 Pension entitlement lasts until the end of the month in which the beneficiary dies, or in which entitlement to the pension becomes void pursuant to the provisions of these Pension Fund Regulations.
- 3 If at the start of the entitlement the retirement or disability pension is less than 10% of the minimum AHV pension, the spouse's pension less than 6% and the orphan's pension less than 2%, the JJS shall pay a one-off lump-sum settlement. This is calculated actuarially according to the JJS's technical principles. Once it has been paid out, all further claims of the insured person or his/her survivors against the JJS shall become void.
- 4 The JJS may transfer the insurance benefits to pension recipients domiciled abroad with releasing effect to an account that is opened in favour of the entitled person with a bank in Switzerland. At their risk and request, payments may also be made abroad.
- 5 The lifelong pension granted to the insured person's spouse within the framework of a pension compensation on divorce is transferred to his/her pension or vested benefits institution if a direct payment is not possible (art. 46 para. 2 and 3). The transfer includes the pension due for a calendar year and is made annually by 15 December of the relevant year.

If an entitlement to payment arises during the relevant year due to age or disability (art. 46 para. 2 and 3) or the entitled spouse of the insured person dies, the transfer shall include the pension owed from the start of the year in question until that moment in time.

With the consent of the pension or vested benefits institution of the insured person's entitled spouse, the pension transfer shall be made on a monthly basis in accordance with paragraph 1.

Interest shall be paid on the amount of the annual transfer, which is equivalent to half the interest rate valid for the relevant year pursuant to article 12 paragraph point 3 a.

- 6 Pensions and lump-sum benefits shall be due within 30 days of receipt of all the information and documentation required to clarify and adjust the insured person's beneficiary status; not, however, before their entitlement begins. Contrary provisions of these Pension Fund Regulations as well as article 2 paragraph 3 FZG remain reserved.

The JJS shall be in arrears if it is put in default by the legally proposed measures. This shall also be true if the due date depends on the expiry of a time limit. The default interest rate is equivalent to the minimum legally stipulated interest rate, but may be no higher than 5 percent; article 2 paragraph 4 FZG and any contrary provisions of these Pension Fund Regulations remain reserved. In the case of pension payments, default interest shall be payable only from the day on which a debt enforcement action or lawsuit begins.

Art. 49 Crediting of third-party benefits

- 1 If, in the event of disability or death, the JJS benefits, combined with those of the SVE as well as countable earnings, amount to more than 100% for the insured person and his/her children, or for his/her survivors to more than 90% of the insured person's last full annual salary, including all allowances and bonuses, and any agreed salary reductions, the pensions to be paid by the JJS must be reduced for so long and to such a degree that the specified threshold is no longer exceeded. The provisions apply analogously to lump-sum benefits paid by the JJS.

Benefit reductions or refusals of other insurers due to culpability (see also art. 49 para. 4, second sentence) as well as benefit reductions made when the insured person reaches the reference age as defined in the BVG, particularly benefit reductions from accident and military insurance, shall not be compensated.

The survivors' benefits for the surviving spouse or partner and the orphans shall be counted together.

Retirement benefits shall be reduced in the same way for as long as benefits of the accident and military insurance are provided or if the retirement benefits replace a disability pension.

- 2 The following are considered to be countable income:
 - a) Benefits from the JJS;

- b) Benefits from the AHV/IV (and/or Swiss and foreign social security systems), with the exception of helplessness allowance;
- c) Benefits from military insurance or compulsory accident insurance (UVG) for the same claim;
- d) Daily allowances from compulsory insurances;
- e) Benefits from other insurance companies or voluntary insurances for whose premiums the company contributes at least half;
- f) Benefits from pension and vested benefits institutions;
- g) Liability claims against the company or third parties. One-off lump sums are thereby converted actuarially into pensions in accordance with the JJS's technical principles.

Recipients of disability benefits will also be credited for any continued income from gainful employment or any income that the insured can still be reasonably expected to earn as well as any benefits paid by the unemployment insurance, with the exception of additional income earned participating in reintegration programmes as described under article 8a of the IVG. In principle, the income that can reasonably be expected to be earned in gainful employment shall be defined in accordance with the decision of the IV (Disability Insurance). The offsettable amount shall be adjusted during IV audits.

One-off lump sums are thereby converted actuarially into pensions in accordance with the JJS's technical principles. Exempted are satisfaction and similar settlements.

Once the AHV reference age has been reached, retirement benefits from domestic and foreign social insurances and pension schemes are also considered to be countable income.

The benefits pursuant to point b) to g) will only be credited if and to the extent that they have not yet been deducted from the benefits payable by the SVE.

- 3 The pension reduction shall be periodically verified by the JJS.
- 4 The JJS may also reduce its benefits accordingly if the AHV/IV reduces, withdraws or refuses benefits because the entitled person is substantially culpable for the death or disability, or refuses to comply with the vocational reintegration measures initiated by the disability insurance (IV). The JJS is not obliged to compensate for refusals or reductions of benefit by the accident insurance or military insurance.
- 5 Neither claims from accident insurance pursuant to special regulations made via an additional accident insurer nor temporary life insurance policies taken out for journeys abroad shall be credited.

Art. 50 Claims against liable third parties

The JJS may demand that a candidate for survivor's or disability benefits assign to it any claims against liable third parties that are due to them for the loss, up to the value of its benefit obligations. The JJS may defer providing benefits until the assignment has taken place.

Art. 51 Reductions or offsetting against claims

Claims made by the JJS against an insured person or pensioner may be offset against benefits or the payment of termination benefits in cash. Likewise, claims against the insured person ceded by the company to the JJS shall be offset in the same way.

Art. 52 Securing the pension benefits

- 1 The entitlement to JJS benefits, subject to article 40, may neither be pledged nor assigned before they mature. Any arrangements to the contrary are without validity.
- 2 Benefits obtained unlawfully from the JJS must be repaid or shall be offset against future benefits paid by the JJS.

Art. 53 Adjustment to price trends

Retirement, survivors' and disability pensions are adjusted to price developments in accordance with the JJS's financial resources, the Board of Trustees deciding annually whether and on what scale this is possible.

7 JJS Assets

Art. 54 Assets and liability

- 1 The assets serve to cover the benefits specified by the JJS. They are solely liable for the JJS's liabilities.
- 2 Volatility reserves are formed to hedge against investment risks.

Art. 55 Asset situation

- 1 The assets are managed by the Board of Trustees. The assets must be managed in accordance with recognised principles, in particular in compliance with the legal investment regulations, whereas the objective is to achieve not only the security of the investment, but also earn appropriate returns, and the JJS's liquidity needs must be taken into account. The Board of Trustees may delegate the management of its assets to third parties.
- 2 The Board of Trustees issues investment regulations.

Art. 56 The company's employer contribution reserve

- 1 Within the framework of the JJS's accounts, the company maintains employer contribution reserves. These are increased by means of extraordinary payments made by the company and immediately generate interest in the same way as the retirement assets of active insured persons, but at the average generated revenue as a maximum. Any additional interest resulting from disposable assets shall not be granted.
- 2 The employer contribution reserves are used, with the consent of the company, by the Board of Trustees within the framework of the JJS; they are to be used predominantly to cover the company's regulatory or special expenses.

8 Organisation

Art. 57 JJS bodies

- 1 The JJS's bodies, administration and delegates are:
 - a) the Board of Trustees
 - b) the panels and committees
 - c) the Executive Board
 - d) the expert for occupational benefit schemes
 - e) the Auditor
- 2 The JJS's senior body is the Board of Trustees, which is responsible for the overall management of the JJS in accordance with legal regulations, the Deed of Foundation, and the regulations and directives of the supervisory authority. It takes all decisions required to serve the purposes of the Foundation.
- 3 The Board of Trustees appoints the persons entrusted with the management of the business as well as the committees. It appoints a licensed auditor to conduct an annual audit of the JJS, as well as entrusting a licensed expert for occupational benefit schemes with the periodic audit of the legal provisions.
- 4 The Board of Trustees issues organisational regulations governing all the JJS's organisational affairs.

9 Restructuring

Art. 58 Deficit and restructuring measures

- 1 In the event of a deficit, the Board of Trustees shall define, in collaboration with the expert for occupational benefit schemes, which legally permissible measures are appropriate and balanced to rectify the deficit within a reasonable time. Where necessary, especially the interest rate on the retirement assets (art. 12 para. 3) must be lowered (reduced or zero interest), the contributions increased or the benefits, including the ongoing pensions, adjusted to the existing funds as defined in paragraph 2. These measures may be combined.

For as long as a deficit exists and the interest rate on the retirement accounts (art. 12 para. 3 point a) is below the minimum BVG interest rate, the minimum amount under article 17 FZG shall also be calculated using the interest rate of the retirement accounts.

- 2 If other measures do not produce the desired result, the JJS may levy contributions from the insured persons, the company and the pensioners, for as long as coverage remains insufficient, in order to remedy the shortfall.

The company's contribution must, as a minimum, be equal to the sum of the insured persons' contributions. Contributions from pensioners may be levied only on the portion of the current pensions that, over the ten years before the introduction of this measure, resulted from increases that were not stipulated by law or the regulations. The pensioners' contribution shall be levied by offsetting against ongoing pensions.

- 3 In the event of insufficient funding, the company may make payments to a special employer contributions reserve account, waiving the use of this account, and may also transfer funds from the normal employer contributions reserve to this special account. The amounts paid in must not exceed the deficit and shall not bear interest.
- 4 The JJS must inform the supervisory authority, the company, the insured persons and the pensioners of any deficit and the measures defined to reduce it.

10 Final and transitional provisions

Art. 59 Application and amendment of the Pension Fund Regulations

- 1 On matters that are not or not fully governed by these Pension Fund Regulations, the Board of Trustees shall base its decisions on the Decree of Foundation. In special cases, it may diverge from the provisions of these Pension Fund Regulations if their application were to result in hardship for the person concerned and the variance reflects the intent and purpose of the JJS.
- 2 These Pension Fund Regulations may be amended by the Board of Trustees at any time in compliance with the entitlements earned. The Board of Trustees may also generally or temporarily reduce future claims. Provisions specifying additional payments to be made by the company cannot be enacted without its consent. Any amendments to the regulations governing the requirements and procedures for a partial liquidation may be made only with the supervisory authority's consent.

Art. 60 Termination of affiliation agreements and liquidation of the JJS

- 1 An affiliation agreement may be terminated by the employer or the JJS. The JJS must declare the termination to the substitute occupational benefits institution. The provisions of articles 53b-d BVG, article 18a FZG and the regulations governing the requirements and procedures for a partial liquidation shall apply.
- 2 In the event of a total liquidation of the JJS, the provisions of article 53b-d BVG and article 18a FZG shall apply. The regulations governing the requirements and procedures for a partial liquidation apply for any partial liquidation.

Art. 61 Disputes

Disputes regarding the application and interpretation of JJS regulations between insured persons entitled to benefits on the one hand, and the Board of Trustees on the other, or regarding matters not governed by these Pension Fund Regulations, shall be decided by the competent court pursuant to article 73 BVG.

Art. 62 Transitional provisions

For retirement pensions already received as at 31 December 2023, as well as other co-insured claims, the Pension Fund Regulations valid as at the date on which the retirement pension became payable will continue to apply; the overcompensation rule under article 49 remains reserved.

- 2 In the event of adjustments to the current pensions of disability pension recipients whose entitlement to their pension was established before 1 January 2022, the following shall apply:
 - a) For pension recipients who have not yet attained their 55th birthday on 1 January 2022, the present entitlement shall remain unaltered until their entitlement to a pension changes by at least five percent pursuant to article 26b. Current entitlement to a pension remains unaltered even after a change in the degree of disability pursuant to article 26b if the application of article 26a entails the present pension entitlement being reduced in the event of a higher degree of disability, or increased in the event of a lower degree of disability.
For pension recipients who have not yet attained their 30th birthday on 1 January 2022, the present pension entitlement will be adjusted to the regulation governing pension entitlements pursuant to article 26a. Should the level of the pension fall by comparison with the present sum, the current amount will continue to be paid until the degree of disability changes by at least five percent pursuant to article 26b.
Adjustments to pensions shall be based on the legally valid decision of the IV.
For the duration of the provisional continued insurance pursuant to article 26a BVG, the application of article 26a shall be waived.
 - b) For pension recipients who have already attained their 55th birthday on 1 January 2022, the regulatory provisions valid until 31 December 2021 shall continue to apply.
- 3 In the event of the death of pensioners receiving a pension from the JJS as at 31 December 2014, the spouse's pension for the surviving spouse shall be reduced pursuant to article 33 paragraph 2 if the marriage took place after 1 January 2015. In the event of the death of insured persons born in 1956 and older who were insured with the JJS on 31 December 2014, the reduction of the spouse's pension paid to the surviving spouse pursuant to article 33 paragraph 2 before or after retirement shall apply only if the marriage took place after 1 January 2015.

- 4 In the event of a claim (disability or death), at least the same pension shall be paid as the sum insured in Swiss francs on 31 December 1998, provided that the pension situation (e.g. due to a change in the level of employment, the transfer of termination benefits due to divorce, etc.) has not changed and that the reversionary spouse's pension selected was equivalent to 60% of the retirement pension when the retirement pension began.
- 5 If there is a deficit, article 58 shall apply in any event.
- 6 Persons born in 1954 or earlier who are active insured persons as of 1 January 2013, who belonged to the JJS on 31 December 2012 and who claim entitlement to retirement benefits from 1 January 2013 but not before reaching 60 years of age, are governed by the provisions on retirement pensions/lump sums payable on retirement in force on 31 December 2012 (art. 10 para. 1, second sentence, para. 2 and 3 of the Pension Fund Regulations). This means that the whole of the retirement benefit can be taken in the form of a retirement pension. However, at the request of the insured all or part of the retirement capital may be taken as a lump sum.

Art. 63 Entry into force

- 1 These Pension Fund Regulations enter into force on 1 January 2024 and replace the Pension Fund Regulations of 1 January 2022.

Appendices and Supplement

Appendix 1
Conversion rate

Appendix 2a
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Voluntary continued insurance at the company's request due to departure from the JJS

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Appendix 1 Conversion rate

Conversion rate as per article 18 paragraph 1 / Retirement pension

Based on the insured person's age at the time of retirement and the type of reversionary spouse's pension (60% or 100%) selected, the conversion rate shall be determined as follows:

Age at retirement	Conversion rate applicable to spouse's pension from 1.1.2025	
	60%	100%
58	4.18%	3.79%
59	4.28%	3.88%
60	4.39%	3.97%
61	4.50%	4.07%
62	4.62%	4.17%
63	4.74%	4.27%
64	4.86%	4.38%
65	5.00%	4.49%
66	5.15%	4.61%
67	5.31%	4.75%
68	5.48%	4.89%
69	5.67%	5.04%
70	5.87%	5.21%

The conversion rate shall rise pro rata with each entire month of increasing age.

Appendix 2a

Support agreement for payment of a partner’s pension

(art. 35 of the Pension Fund Regulations))

between

insured person (surname, first name / date of birth)

[Redacted signature area for insured person]

and

partner (surname, first name / date of birth)

[Redacted signature area for partner]

1. This support agreement serves to safeguard any possible statutory claims of the surviving partner pursuant to the Pension Fund Regulations of the Johann Jakob Sulzer Foundation (JJS).
2. The parties confirm that they are aware of the provisions governing the partner’s pension pursuant to article 35 of the Pension Fund Regulations, and that they recognise the conditions stipulated therein.
3. The parties concur that they are unmarried and unrelated, that they have cohabited as partners since _____ (date) in a shared household, and have lived together without interruption since the aforementioned date.
4. The parties confirm that they shall duly endeavour to uphold their partnership, each to the best of their ability. Specifically, the obligation for mutual support shall be discharged by means of monetary payments, maintaining the household, childcare or assistance in the profession or trade of the other partner. If nothing else has been agreed, the obligation for mutual support shall be terminated when the partners cease to cohabit.

Possible amendments to the support agreement made by the parties:

[Redacted area for possible amendments]

5. After the insured person’s or pensioner’s death, the surviving partner shall prove by means of appropriate documentation (e.g. proof of residence) that the regulatory requirements of the partner’s pension are fulfilled. The JJS is authorised to verify his/her entitlement to benefits on the basis of the actual situation during the deceased partner’s lifetime.
6. On receipt of a partner’s pension, the surviving partner shall undertake to inform the JJS immediately of his/her (re-)marriage or of any new support agreement.
7. The insured person shall undertake to inform the JJS immediately in the event of the support agreement being annulled.

The **signature of the insured person on this support agreement must be officially certified by a notary’s office.** This support agreement must be submitted to the Johann Jakob Sulzer Stiftung, Postfach, 8401 Winterthur, Switzerland, during the lifetime of the insured person.

Place/Date

[Redacted area for place/date]

Signature insured person

Signature partner

[Redacted signature area for insured person]

[Redacted signature area for partner]

Appendix 2b

**Amendment to order of beneficiaries
for the payment of a lump sum on death**

(art. 37 of the Pension Fund Regulations)

In the event of my death, I request that article 37 of the Pension Fund Regulations be amended and that the lump sum payable on death be paid to the following persons in the following amounts. With this statement, I revoke all previous beneficiary declarations.

Surname	First name	Address	Date of birth	Cat. *)	Share in %
					100%

***) Category:** Enter letters for relevant category a.aa), a.ab), b.ba), b.bb), b.bc), c.ca), c.cb) or c.cc).

Please note: It is not possible to combine beneficiaries under point b. and c.

The person mentioned belongs to the following beneficiary category:

- a. aa) the surviving spouse;
ab) children of the deceased insured person who are entitled to an JJS orphan’s pension;
- b. ba) persons supported to a significant degree by the deceased insured person;
bb) the person who continuously cohabited with the deceased insured person for the last five years before his/her death;
bc) the person who is responsible for the maintenance of one or more joint children;
- c. ca) children of the deceased insured person who are not entitled to an JJS orphan’s pension;
cb) the parents;
cc) the siblings.

Surname and first name of the insured person (to be completed in capitals):

Surname and first name

Date of birth

AHV number

Place, date

Signature

For the payment of a lump sum on death, article 37 of the Pension Fund Regulations and any addenda to them shall apply.

Submit to: Johann Jakob Sulzer Stiftung, Postfach, 8401 Winterthur, Switzerland

Appendix 3

Voluntary continued insurance at the company's request due to departure from the JJS

(art. 8 para. 1 of the Pension Fund Regulations)

In addition to article 8 paragraph 1 of the Pension Fund Regulations, the following stipulations for continued insurance shall apply.

Relinquishment of gainful employment (no further income from employment)

Additional conditions for voluntary continued insurance without earned income

- Notice of termination shall be given by the company (with or without a severance scheme)
- The insured person is fully able to work
- The application to remain as an external member of the JJS must be submitted, with reasons and in writing, by the human resources department
- Contributions (risk contributions from the insured person/company and savings contributions from the insured person/company) shall be paid by the company

Regulations for insured persons younger than 55 years

- Continued insurance with the JJS for 6 months at most

Regulations for insured persons of 55 years

- Continued insurance with the JJS until completion of the 58th year at most
- Early retirement in accordance with the JJS's regulatory provisions (art. 17 et seq.)

Regulations for insured persons from the age of 56

- Continued insurance with the JJS for two years at most
- Early retirement in accordance with the JJS's regulatory provisions (art. 17 et seq.)

Supplement

Applicable amounts

Parameters	2025	from 2026
Minimum salary (art. 6 para. 1)	CHF 157,237	CHF 157,237
Coordination deduction	CHF 157,236	CHF 157,236
Maximum retirement pension (300% of the maximum AHV retirement pension) pursuant to art. 18 para. 2)	CHF 90,720	CHF 90,720
Maximum relevant salary used to calculate the insured salary for the purpose of retirement benefits	according to pension plan	according to pension plan
Maximum relevant salary used to calculate the insured salary for the purpose of risk benefits	according to pension plan	according to pension plan
Minimum insured salary	according to pension plan	according to pension plan
Maximum insured salary for retirement benefits	according to pension plan	according to pension plan
Maximum insured salary for risk benefits	according to pension plan	according to pension plan

Fees

Costs charged directly to insured persons and pension recipients are calculated in accordance with the Cost Regulations.