

February 2022

Your personal insurance certificate for 2022

Dear SVE members,

As every year, please find enclosed your personal insurance certificate, which is valid as of 1 January 2022. It provides information on your current retirement assets, your insured benefits in the event of retirement, disability or death, as well as the bases on which they are calculated.

Should you have any questions regarding your insurance certificate, please visit our website, where you will find a specimen certificate with explanations (https://www.sve.ch/PDF/Download-Center/merkblaetter-2022/Versicherungsausweis_2022_E.pdf).

Interest on retirement assets at 4.0%

Despite the continuing pandemic, the financial markets' performance in 2021 was extremely gratifying. Supported by a strong economic recovery and a marked increase in corporate earnings, the global equity markets gained more than 20%. Combined with equally high value growth in alternative investments and the property market, this led to a very good overall result of +7.6% for the SVE.

In view of these pleasing returns, the Board of Trustees has decided to grant active members the high interest rate of 4.0% in addition to the interest of 1% already awarded in May 2021. Active members will therefore benefit from a total of 5% interest on their retirement assets (2.5% the previous year). The SVE has thus once again significantly exceeded the minimum legal interest rate of 1.0%, thus successfully confirming its endeavours to offer its active members the best possible benefits. The cover ratio increased from 117.6% the previous year to 126.7% at the end of December 2021.

The interest rate of 4.0% applies to all members fully insured with the SVE on 31 December 2021.

Interest during 2022

Interest at the rate of 1.0% will be paid on the retirement assets of members who leave the SVE during 2022. The Board has thus adopted the Federal Council's decision to leave the minimum interest rate in obligatory occupational retirement schemes at 1.0% for another year.

Choice of three savings plans

Take the opportunity to change to a savings plan with higher or lower savings contributions (Super Plan, Comfort Plan or Basic Plan) on 1 July 2022, and thus directly influence the growth of your retirement assets.

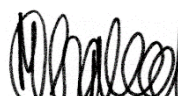
With a few clicks, you can change your current savings plan yourself via our **mypkSVE** online policyholders' portal (<https://mypk.sve.ch>). Alternatively, you may inform us of any changes to your savings contributions using the appropriate registration form (https://www.sve.ch/EN/EN/Plans_forms). The final deadline for changing your savings plan is 31 May 2022.

The SVE team would like to thank you for your confidence and wishes you health, happiness and success in 2022. We look forward to continuing to be of assistance.

Yours sincerely,
Sulzer Pension Fund



Peter Strassmann
General Manager



Martina Ingold
Deputy General Manager
Head of Customer Service

February 2022

Revision of Pension Fund Regulations and Pension Plan, 2022

Introduction of variable pension system as well as other adjustments

Dear SVE members,

The seventh revision of the Federal Disability Insurance (Pillar 1), which came into effect on 1 January 2022, replaced the former four-tier system with a variable pension system. This new system was simultaneously also applied to disability benefits in occupational pension schemes (Pillar 2). At the meeting held on 30 November 2021, the SVE's Board of Trustees decided to introduce this new, variable system at the SVE, thus ensuring that the same pension systems are implemented both in the AHV/IV (Pillar 1) and in the SVE's Pillar 2 pension provision.

In order to implement this new, variable system for disability pensions, the Board of Trustees has approved appropriate innovations in the **Pension Fund Regulations** and the **Pension Plan**. Other changes have also been resolved.

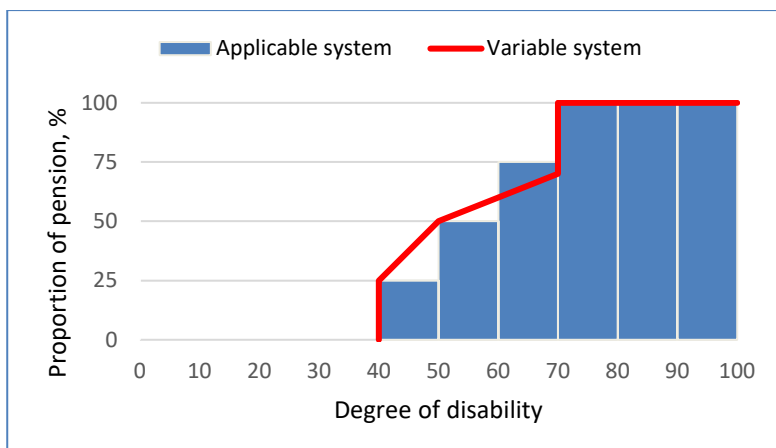
The **most important innovations and amendments** are as follows:

Pension Fund Regulations

1. Introduction of a variable pension system for disability pensions

(Pension Fund Regulations art. 28a, Scope of the disability pension)

Article 28a governs the new, variable pension system for disability benefits and corresponds to the legal provisions (cf. Art. 24a BVG). The level of a disability pension is now determined as a proportional percentage of a full pension, and no longer as a quarter, half, three-quarter or full pension, as was hitherto the case. For degrees of disability ranging from 50 to 69%, the disability pension is thus now equivalent to a proportional percentage of the full pension that corresponds to the degree of disability (cf. art. 28a lit. a). This means that a degree of disability of 64%, for example, will entitle the beneficiary to a pension equivalent to 64% of a full pension. As hitherto, a degree of disability of 70% or more will entitle the beneficiary to a full disability pension (cf. art. 28a lit. b). The entry threshold for entitlement to a disability pension will also remain unchanged – at a degree of disability of at least 40% (cf. art. 28a lit. c in combination with art. 27 lit. a). For a degree of disability ranging from 40 to 49%, the level of the pension will not correspond to the degree of disability; instead, the level of pension entitlement will increase on a linear basis by 2.5 percentage points. The resulting pension levels are listed in tabular form in art. 28a lit c.



source: Libera AG

The variable pension system shall apply to new pensions with immediate effect as of 1 January 2022. For current disability pensions, transitional provisions apply (see section 3 below).

2. Revision of disability pensions

(Pension Fund Regulations art. 28b, Revision of the disability pension)

The new **Article 28b** determines that a disability pension may be increased, reduced or revoked only if the degree of disability changes by at least 5%. This materiality threshold for the amendment of pension entitlement corresponds to the legal provisions (cf. art. 24b BVG).

3. Transitional provision for current disability pensions

(Pension Fund Regulations art. 65 para. 2, Transitional provisions)

In principle, the new, variable pension system pursuant to Article 28a of the Pension Fund Regulations is applicable only to new disability cases. In accordance with the transitional provision in **Article 65 paragraph 2**, current disability pensions are adjusted in summary as follows:

<p>Pension recipients who are not yet 30 years old on 1 January 2022</p>	<p>The current disability pensions of these pension recipients will be transferred to the variable pension system no later than 10 years hence. Should this adjustment to the new system entail a reduction of the present disability pension, the pension will continue to be paid until the degree of disability changes by at least 5%.</p>
<p>Pension recipients who are between 30 and 54 years old on 1 January 2022</p>	<p>The current disability pensions of these pension recipients will continue to be paid until the degree of disability changes by at least 5%.</p> <p>Should the degree of disability change by at least 5%, the pension will be calculated in accordance with the new pension system. However, the current disability pension will remain unchanged if the new system entails a reduction of the pension despite an increase in the degree of disability or an increase in the pension despite a reduction of the degree of disability.</p>
<p>Pension recipients who are already 55 or older on 1 January 2022</p>	<p>The current pensions of these beneficiaries will not be transferred to the new pension system. For them, protection of vested rights shall apply; the level of their pension entitlement and any revisions to it will continue to be based on the provisions of the previous Pension Fund Regulations.</p>

Other innovations and amendments:

Pension Fund Regulations

4. Reporting obligations of disability pension recipients

(Pension Fund Regulations art. 5 para. 2, Information and reporting obligations)

The reporting obligation of disability pension recipients is specified in **Article 5 paragraph 2** to the effect that apart from any qualifying income, they must notify the SVE immediately of any changes to their degree of disability and/or the level of their federal disability pension.

5. Linguistic clarification

(Pension Fund Regulations art. 31, Level of the full disability pension)

The formulation “Level of the disability pension” in **Article 31** shall be replaced by the more precise formulation “Level of the full disability pension”.

6. New Cost Regulations

(Pension Fund Regulations art. 43 para. 8 as well as the Supplement to the Pension Fund Regulations)

Costs charged directly to insured persons and pensioners (e.g. processing fees for advance withdrawals for the purchase of residential property) are now governed by the new Cost Regulations (<https://www.sve.ch/zahlen-fakten/reglemente>). To avoid duplications, the Pension Fund Regulations now contain a reference to the Cost Regulations (cf. **art. 43 para. 8 and Supplement**). The costs remain unchanged.

7. Clarification of voluntary continued insurance from the age of 58

(Appendix 3b to the Pension Fund Regulations)

Section 4.1. paragraph 3 of Appendix 3b clarifies that it is inadmissible for the SVE to terminate continued insurance if an insured person has chosen the option of continued insurance while continuing to increase their pension provision and is only in arrears with the payment of savings contributions.

Pension Plan

8. Linguistic alignment with the BVG

(Pension Plan, section 3.2.1, Level of the full disability pension)

With a view to linguistic alignment with the BVG, the term “complete pension” will be replaced by “full pension” in **Section 3.2.1** of the Pension Plan.

Entry into force

All innovation and amendments enter into force on 1 January 2022.

Do you have any questions?

Should you have any queries or require further information, please do not hesitate to contact us. Our Customer Service team will be delighted to be of assistance (<https://www.sve.ch/team>).