

INFORMATION SHEET

Departure

Leaving the pension fund – vested benefits

Insured members are entitled to departure benefits if their employment relationship comes to an end and no benefits in any other form (due to retirement, disability or death) are payable to them or their surviving dependants. Insured members will also leave the pension fund if their annual salary falls below the entry threshold for a period of several months (e.g. because of a change/reduction in their working hours).

The vested benefits fall due on the date on which you leave the pension fund

Insurance cover lapses when you leave the pension fund. If you do not join a new pension fund immediately, you will remain insured against the risks of disability and death with your current pension fund for a maximum of one month after your withdrawal from the fund.

The **vested benefits** comprise:

Savings contributions by the employee and employer, any one-off contributions (e.g. vested benefits transferred to the pension fund from previous pension funds, special credits, purchases of additional service years, etc.) and interest. To secure “full” portability, the vested benefits must equal at least the statutory minimum.

Your statement will therefore contain two calculations:

- Amount of your retirement assets as of the date of withdrawal
- Calculation of the minimum vested benefits under the Federal law

The higher of these two amounts is paid out.

The final vested benefits statement also contains the following legal information:

BVG retirement assets

If the insured benefits exceed the minimum benefits under the law (BVG), we differentiate between mandatory (BVG) benefits and extra-mandatory (SVE) benefits. Your “BVG retirement assets” are included in the SVE vested benefits. The value is therefore only provided for information purposes. BVG retirement assets have added importance if an insured resident in an EU/EFTA country requests the cash payment of the vested benefits (see below).

Retirement assets at age 50

This amount is important if you wish to use your retirement assets to finance the acquisition of residential property for own use (see information sheet “Promotion of home ownership pension assets”).

Retirement assets on marriage

This amount is important if you should divorce at a later date. In the event of divorce, the pension fund must provide the insured or the court with the amount of retirement assets that was accrued during the course of the marriage.

Vested benefits as per date ...

This amount is connected to the “retirement assets on marriage”. Under the law, pension funds have been obliged since 1 January 1995 to report the retirement assets of all their insured separately.

Total withdrawals to finance residential property and/or Pledged amount

If you have withdrawn or pledged your retirement assets to finance residential property for your own use, this fact will be reported under this heading.

Use of the vested benefits

Transfer of vested benefits to a new pension fund

If you have a new employer, you are obliged under the vested benefits law to transfer all your vested benefits to the new pension fund.

Transfer of the vested benefits to a vested benefits foundation with a bank or insurance company for the purpose of opening a vested benefits account or setting up a vested benefits policy

If you have not yet reached retirement age (age 58 at the earliest), your vested benefits may only be paid out in tied form. This means that the retirement assets you have accumulated so far will continue to be held as Pillar 2 assets.

You have the following options:

The **vested benefits account**. As a rule such an account does not provide any insurance cover, but, depending on the institution, supplementary insurance cover for the risks of disability and death can be taken out. The interest paid on a vested benefits account is often slightly better than the interest on a vested benefits policy.

The **vested benefits policy**. This policy provides cover against the risks of disability and death, and additional cover for a lump sum payable on retirement or death can also be taken out.

If you should be **unemployed** after you leave the pension fund and receive a daily unemployment allowance, you will be insured with the National Substitute Pension Plan BVG for the time that you are unemployed. However, this insurance only covers the risks of disability and death, and no provision is made for a retirement pension. The plan provides the minimum statutory benefits. You can find more information on occupational benefits insurance for unemployed persons at www.arbeit.swiss.

If you have reached the reference age (age 58) at the time of your departure, your withdrawal benefit can be transferred to a Vested Benefits Foundation if you are searching for a new employment and/or if you are registered as unemployed with the regional employment centre (RAV). Otherwise your retirement benefits become due.

Cash payment

A lump sum payment of the departure benefit is possible in the following cases:

Departure from Switzerland

- **Insured members moving away from Switzerland permanently.** Persons who settle in an **EU/EFTA country** and who **remain subject to mandatory insurance** for old age, disability and death (employees and the self-employed) may only take the proportion of their departure benefit that **exceeds the legally required mandatory component** in the form of a lump sum. The mandatory component defined by the BVG must be transferred to a Pillar 2 transferable vested benefits institution in Switzerland and will only be due for payment on the occurrence of an insured event (e.g. retirement).

- Insured members who leave Switzerland permanently to take up residence in an EU/EFTA country **without being subject** to mandatory insurance in that country have the option of **taking the whole of their departure benefit as a lump sum**. In this case, written confirmation of this fact must be submitted to the Sulzer Pension Plan. Such confirmation must be requested from the "LOB Guarantee Fund" (liaison office between EU/EFTA countries and Switzerland). LOB Guarantee Fund, P.O. box 1023, 3000 Berne 14, Tel. 031 380 79 71, info@sfbvg.ch, verbindungsstelle.ch
- Insured members who leave Switzerland permanently to take up residence in a **non-EU/EFTA country** have the option of **taking the whole of their departure benefit as a lump sum**.

Self-employment as main source of income

- **Where insured members take up self-employment in Switzerland** as their primary occupation and are not subject to mandatory occupational pension provision.

Insignificance

- If the **amount of the departure benefit is smaller than the actual annual contribution due from the insured member under the Rules** ("insignificant").

What documents must be submitted when applying for a cash payment?

- Insured members moving away from Switzerland permanently: Additional Application no. 3 together with the Departure Form and the required documentation. Cross-border commuters: written confirmation that cross-border commuter permit has been returned.
- Self-employment as primary occupation: Additional Application no. 4 together with the Departure Form and the required Documentation.
- Insignificance: Withdrawal form together with the confirmation of the request for cash payment (contact the Insured Persons Advisory Team).

Obligation to provide information

We need all the details for the payment of the vested benefits from you (separate withdrawal form) **by your date of departure at the latest**.

If we cannot transfer the vested benefits because you have not provided all the details, the pension fund will exercise its rights and transfer your vested benefits to the National Substitute Pension Plan BVG in Zurich for opening a vested benefits account six months from the date of your departure.

Vested benefits statement

Once the full details have been received, we shall transfer your departure benefit and send you your final vested benefits statement. Interest will be paid on the amount at the

legally prescribed rate from the date of your departure until the transfer.

If your address should change at the same time that you leave the pension fund, you must provide the new address on the notice of withdrawal form.

Miscellaneous

Long-term incapacity for work/sick when leaving the pension fund

If you have been unable to work for a longer period before you terminated your employment relationship and are in danger of becoming disabled, your withdrawal from the pension fund will not entitle you to any vested benefits. If this should apply to you, you should please contact your Insurance Consultant for additional information.

Tax

The vested benefits are only taxed immediately if the benefits are paid out in cash.

Proof of marital status / consent of spouse

Unmarried insured who require cash payment of their vested benefits must submit an up-to-date confirmation of marital status. Married insured require the consent of the spouse, whose signature must be notarized.

Foreign pension schemes

Departure benefits paid by Swiss pension funds cannot be transferred to foreign pension systems directly (unless based in the Principality of Liechtenstein).

Legal basis

Vested benefits are governed by the Federal Law on Vesting in Pension Plans (FZG) and its accompanying ordinance (FZV).

Do you have any questions?

Your personal contact will be pleased to assist you. Contact details can be found on your insurance certificate or at www.sve.ch/team.