

## New Pension Fund Regulations, including “Classic Pension Plan”

Revised Pension Fund Regulations and the “Classic Pension Plan” have applied at the SVE since 1 January 2019

Dear SVE members,

In our SVE newsletters of July and December 2018, we informed you that external companies are now permitted to join the SVE. In order to reposition itself in the market, the SVE is now offering three new pension plans in addition to its existing pension solution. These new pension plans differ in terms of benefits and the way they are financed, and the revised regulations include several new features.

**Key innovations** include:

1. Division of the Pension Fund Regulations into Pension Fund Regulations and Pension Plan
2. New date for the replacement of the disability pension by the retirement pension
3. Amendments to the level of and entitlement to lump-sum death benefits
4. Full capacity for work as a new prerequisite for external membership

### 1. Division of the Pension Fund Regulations into Pension Fund Regulations and Pension Plan

The SVE’s only pension solution was hitherto completely integrated in the Pension Fund Regulations. Due to the three additional, differing pension plans, this concept cannot be retained. For this reason, the existing Pension Fund Regulations have now been incorporated into so-called framework regulations. These contain the principles and general provisions governing occupational benefits, and are supplemented by four pension plans: three new plans, known as the “Basis Pension Plan”, “Medium Pension Plan” and “Premium Pension Plan”, as well as your **existing pension plan, which is now called the “Classic Pension Plan”**.

For you, this means that one plan will become two. The revised Pension Fund Regulations entered into force on 1 January 2019. The “Classic Pension Plan” entered into force as an integral part of the Pension Fund Regulations on the same date. **Combined, with a few amendments (see points 2 to 4), they are equivalent to your SVE pension solution to date.**



### EXAMPLE: Pensioner’s child benefit

#### Pension Fund Regulations



#### Art. 25 Pensioner’s child benefit

1 Recipients of a retirement pension are entitled to child benefit for each child who could claim an orphan’s pension in the event of their death (art. 39).

The level of the pensioner’s child benefit is defined in the **Pension Plan**.

#### Pension Plan



#### 3.1.4 Level of pensioner’s child benefit

(Pension Fund Regulations, art. 25)

The pensioner’s child benefits shall be equivalent to 20% of the retirement pension drawn.

## **2. New date for the replacement of the disability pension by the retirement pension**

(Pension Fund Regulations, art. 30 in combination with the "Classic Pension Plan" fig. 3.2.2)

Disability pensions have hitherto been replaced by retirement pensions for women at the age of 64 and for men at the age of 65. With a view to aligning disability pensions with the new pension plans, disability pensions will now also be replaced for women at the age of 65. Since, according to the "Classic Pension Plan", the disability pension is paid for a recipient's lifetime and the retirement pension that replaces it thus remains at the same level, the date at which the disability pension is replaced is immaterial and will not entail any changes for insured persons.

## **3. Amendments to the level of and entitlement to lump-sum death benefits**

### **a) Level of lump-sum death benefits**

(Pension Fund Regulations, art. 40 in combination with the "Classic Pension Plan" fig. 3.5.1)

Lump-sum death benefits have hitherto been paid independently of whether a spouse's/partner's pension became payable on the death of an insured person or pension recipient. Accordingly, the lump sum payable at death was restricted to 150% of the insured disability pension, or 150% of the current retirement or disability pension. The level of lump-sum death benefits shall now depend on whether the deceased was already a pension recipient and whether a spouse's/partner's pension becomes payable. Provided that the deceased was not yet drawing a pension and that no spouse's/partner's pension becomes payable, lump-sum death benefits shall, in principle, now be equivalent to the retirement assets of the deceased insured person. If, however, a spouse's/partner's pension becomes payable or a pension recipient dies, the lump sum payable at death will, as hitherto, be equivalent to 150% of the insured disability pension, or 150% of the current retirement or disability pension.

### **b) Order of beneficiaries of lump-sum death benefits**

(Pension Fund Regulations, art. 40)

A deceased person's adult children (children who have no claim to an orphan's pension), parents and siblings were hitherto combined in a single group of beneficiaries. The result of this was that in the absence of a beneficiary declaration on the part of the deceased, his/her adult children, parents and siblings were entitled to equal portions of the lump-sum death benefits. The beneficiary group is now subdivided as follows:

1. children of the deceased insured person who are not eligible for an orphan's pension;
2. in the absence thereof: the parents;
3. in the absence thereof: the siblings.

Adult children now therefore take precedence as beneficiaries. Lump-sum death benefits shall be paid to the parents only in the absence of adult children and to the siblings only in the absence of parents.

This amendment reflects the wishes of a large majority of our members, who must now take action and apply for an amendment only if they are not in agreement with this new standard prioritisation.

## **4. Full capacity for work as a new prerequisite for external membership**

(Pension Fund Regulations, Appendix 3)

According to previous practice, requests for continued insurance were granted only if insured persons were fully able to work. This practice is now explicitly stipulated in Appendix 3 of the Pension Fund Regulations.

## **Greater clarity and precision**

Furthermore, the 2019 Pension Fund Regulations have been redesigned. A detailed table of contents, titles and subtitles provide a clearer overview, and certain themes have been reformulated with greater precision.

## **Do you have any questions?**

The Pension Fund Regulations and your "Classic Pension Plan" are available on our website: [www.sve.ch](http://www.sve.ch).

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 ([www.sve.ch/de/sve/das-ist-die-sve/kontakt](http://www.sve.ch/de/sve/das-ist-die-sve/kontakt)).