



The benefits of occupational
pension schemes explained

The Insurance Certificate



Swisscanto

Stiftungen/Fondations/Fondazioni

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The insurance certificate contains a lot of valuable information about benefit coverage

The insurance certificate, which is issued annually by your employee benefit institution (foundation) and sent to you, provides you with detailed information on your insured benefits and the contributions that you pay in the form of a deduction from your salary.

The following information will help you to better understand the information in your insurance certificate. The example shown is a sample certificate; your personal insurance certificate may not contain all the information shown in the example. In certain cases your insurance certificate may also contain additional information.

The calculation of your pension benefit and your relevant entitlement are based on the provisions in the regulations of your employer's pensions insurance scheme.

If you should have any questions regarding your company's employee benefit scheme please contact the **Members of the Board of Trustees** in the first instance. You will find their names at the bottom of your insurance certificate. If this information is missing, please contact your employer.



SAMPLE CERTIFICATE

0 Private
Mr.
John Example
Main Street 12
4099 Basle

Contract No. 0123456.20 Example Ltd.
Organisational unit 1
Personnel category 1
Policy No. 22

A

B

Insurance certificate, valid from 01.01.20XX

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1. Personal data

Surname and first name	Example John
Date of birth / Gender	14.05.1969 / male
Marital status	married
Commencement of insurance / Degree of occupation	01.01.2013 / 100.0%
Reaching the retirement age at	01.06.2034

LOB portion
in CHFTotal in CHF
(incl. LOB Portion)

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2. Salary data

Reported annual salary		75'630.00
Insured annual salary	51'060.00	51'060.00

3

3. Age assets

3a Prospective age assets at 31.12.20XX	107'277.80	117'759.90
3b Projected retirement assets without interest	193'824.50	209'114.75
3c Projected retirement assets incl. interest	227'536.25	241'371.40
3d Termination benefit incl. surplus at 01.01.20XX	96'400.00	107'667.30
3e of which credit from purchase of early retirement		0.00
of which assets from surpluses and income		456.40

4

4. Projected benefits upon retirement

	Projected retire- ment capital	Retirement pension
At the normal retirement age 65 at 01.06.2034		
Projected using the interest rate of Y.YY%**)	241'371.20	16'341.00
Projected using a X.XX% lower interest rate**)	234'267.50	15'854.00
Projected using a X.XX% higher interest rate**)	251'776.00	17'039.00
In the event of early retirement (projected using the interest rate of X.XX%**)		
at the age of 64 at 01.06.2033	227'127.25	14'922.00
at the age of 63 at 01.06.2032	213'162.60	13'598.00
at the age of 62 at 01.06.2031	199'471.75	12'361.00
at the age of 61 at 01.06.2030	186'049.35	11'190.00
at the age of 60 at 01.06.2029	172'890.15	10'116.00
at the age of 59 at 01.06.2028	159'989.00	9'113.00
at the age of 58 at 01.06.2027	147'340.75	8'177.00

Conversion and interest rates: see "Calculation basis"

5	5. Death benefits (prior to retirement age)	Pursuant to LOB	Due to illness in CHF	Due to an acci- dent in CHF
	Annual spouse's pension/partner's pension*)	7'908.00	12'254.00	12'254.00
	Annual orphan's pension*)	2'636.00	4'085.00	2'636.00
6	6. Annual disability benefits			
	Disability pension, waiting period 24 months*)	13'180.00	25'530.00	13'180.00
	Disabled's children's pension, waiting period 24 months*)	2'636.00	4'085.00	2'636.00
	Waiver of premiums, waiting period 3 months			
7	7. Financing			
	Annual age credits			9'701.40
	of which LOB			9'190.80
	Annual risk premium			3'657.480
	Annual inflation premium			51.10
	Annual contribution for Security Fund			54.60
	Total of contributions and premiums			13'464.90
7a	Employee's contribution per month 12x			561.05
7b	Vested benefits brought into the fund			25'000.00
	Purchase of additional contribution years			3'000.00
	Disposable assets			1'000.00
8	8. Additional benefit plan information			
8a	Maximum purchase amount under the regulations			49'510.00
8b	Maximum possible contribution for the purchase of early retirement (partial purchase)			
	- at early retirement at the age of 64			18'585.85
	- at early retirement at the age of 63			37'784.40
	- at early retirement at the age of 62			57'646.75
	- at early retirement at the age of 61			78'172.85
	- at early retirement at the age of 60			99'567.00
	- at early retirement at the age of 59			121'829.15
	- at early retirement at the age of 58			145'112.50
	(The statutory and regulatory provisions on the purchase of additional benefits and service years remain reserved. The „Purchase request“ form must be submitted before any amount to purchase additional benefits can be paid in. In the event of early retirement with receipt of a pension, full purchase is possible in addition.)			
8c	Divorce settlement on 01.05.2004			9'000.00
8d	Termination benefit at date of marriage on 08.08.2008			52'000.00
8e	Advance withdrawal under the promotion of home ownership scheme - current status (last advance withdrawal on 01.07.2007)			14'000.00
	Pledge of benefits under the promotion of home ownership scheme on 01.05.2006			
8f	Partial capital option submitted on 02.09.2013. The retirement pension will be reduced accordingly. Surpluses and income at 01.01.20XX			217.30
8g	Change in the order of precedence for beneficiaries under the regulation			no
	Announcement of partner's pension			no
8h	Purchases within the past three years that are known to us			none
	Voluntary purchase of benefits according to the regulations as per 01.01.20XX			3'000
9	9. Calculation basis	LOB	Supplementary	
	Conversion rates at normal retirement	X.XXXXXX%	X.XXXXXX%	
	Interest rates			
	- Rate of interest for retirement assets	X.XXX%	X.XXX%	
	- Projected retirement assets**)	X.XXX%	X.XXX%	

Remarks

*) Overinsurance will lead to a reduction in benefits pursuant to the regulations.

**) For further information on the interest rate for the projection of retirement assets see www.projektionszins.ch.

You are a member of the board of trustees.

This certificate replaces all previous certificates. It was issued on behalf of your employee benefit institution, and is used exclusively for information purposes. The provisions of the regulations shall prevail. You will find explanations on the insurance certificate, information on the Swisscanto Collective Foundation and the Board of Foundation as well as all required forms on the internet at www.swisscanto-foundations.ch

10 Members of the Board of Trustees: John Example, Anne Example

A The Federal Law on Occupational Retirement, Survivors and Disability Pension Plans (LOB) prescribes merely the minimum benefits. In column A the **LOB component** of the amounts and/or benefits that must be insured pursuant to the LOB is shown. The LOB component can be used in the calculation of the rate of interest for the age assets, for example. In addition, the employee benefit institution must always be able to provide proof that the mandatory requirements of the LOB have been met.

B In this column the **amounts and benefits currently valid pursuant to the benefit plan** including the LOB amount are shown. Depending on the benefit plan and your personal situation (e.g. the deposit of a vested benefit from a previous employee benefit institution), the benefits listed in column B can be greater than the LOB minimum benefits that appear in column A.

0 Address and important reference numbers: the numbers and information that appear in this block are required by your employee benefit institution for processing and delivery. In particular, you must always quote your contract and policy number when making enquiries, to enable your request to be dealt with as smoothly and quickly as possible.

1 Personal data: Date of birth, gender and marital status are required for the calculation of your benefits and contributions.

2 Your **annual salary** is your salary that is subject to AHV contributions. Your employer notifies the foundation of this.

The **insured annual salary** forms the basis for the calculation of benefits and contributions. The amount of the insured salary is determined within the legal provisions of the regulations.

3 The **age assets** are accrued from the retirement credits from vested benefits, single premiums and interest. The age assets accrued at retirement form the basis for the calculation of the retirement benefits.

3a The **prospective age assets at 31.12.20XX** equal the retirement assets that have accrued and the interest that they have earned plus the retirement credits that are assumed to be due at the end of the current year.

3b The **projected retirement assets, i.e. extrapolated at the time of normal retirement (retirement age), without interest** equal the retirement assets at the end of the current year, plus the sum of the retirement credits for the missing years until retirement without interest. This is based on the current insured annual salary, whereby interest is not taken into account.

The projected retirement assets without interest in column A (LOB) are used to determine the statutory death and disability benefits (column A). The projected retirement assets without interest in column B can be used to form the basis for determining the death and disability benefits (column B), if the benefit plan stipulates accordingly.

3c The **projected retirement assets, i.e. extrapolated at the time of normal retirement (retirement age), including interest** equal the retirement assets at the end of the current year including interest until retirement, plus the sum of the retirement credits for the missing years until retirement including interest. This calculation is based on the current insured annual salary; assumptions are made regarding the future rate of interest, since this cannot be forecast with total accuracy (**projected interest rate**).

The retirement benefits are calculated based on the projected retirement assets with interest.

3d Termination benefit: the amount that is transferred to the new employee benefit institution on the date of departure due to a change in employment. The termination benefit comprises the retirement assets accrued and any bonuses credited pursuant to the regulations as per the valid date of the insurance certificate.

3e The regulations can provide for the possibility of partially or wholly avoiding a pension reduction arising from early retirement via a so-called “elimination of pension shortfalls”. If deposits were made with this object in mind, the sum of these deposits including interest is shown under the heading **“of which credit from purchase of early retirement”**.

4 Projected benefits upon retirement: The retirement benefits (retirement pension or retirement capital) at the time of normal or early retirement that result from the projected retirement assets are listed under this heading.

The retirement assets shown comprise the extrapolated (projected) retirement assets including interest at the given date. In principle, the amount of the projected retirement pension is derived from this value multiplied by the corresponding conversion rate valid at normal or early retirement age. You will find the conversion rates in relation to the date of ordinary retirement age under the heading “Calculation basis” (point 9 in your insurance certificate).

The calculations are based in each case on the parameters (especially interest, conversion rate) applicable for the relevant current year. The effective retirement pension as of the respective retirement date may differ from the calculated values.

5 In the event of the death of an insured person, the surviving spouse is entitled to a **spouse’s pension**, which is paid for the remainder of the spouse’s life. This regulation applies analogously for persons **in a registered partnership**. The amount of the spouse’s pension is governed by the regulations.

Benefits are paid to a **partner** if the regulations make provision for this and the requirements according to the regulations have been fulfilled. The amount of the partner’s pension is the same as that of the spouse’s pension.

In the event of the death of an insured person, surviving children are entitled to an **orphan’s pension**. The amount of the orphan’s pension and the entitlement to benefits are governed by the regulations. Pursuant to the LOB, the orphan’s pension is paid until the 18th year of age and for children still in education until the 25th year of age.

6 If an insured person is permanently disabled within the meaning of the Federal Disability Insurance, a **disability pension** is paid and for any children a **disabled’s children’s pension** is paid. Pursuant to the LOB, the disabled’s children’s pension is paid until the 18th year of age and for children still in education until the 25th year of age.

The benefits are paid in accordance with the **waiting period** stipulated in the regulations.

The **amount of the pensions** is governed by the regulations.

If an insured person is still disabled at the end of the waiting period determined for the waiver of premiums, he/she shall be **released from the obligation to pay contributions**.

7 Financing: The insured person and the employer jointly finance the benefits from the employee benefit scheme via their contributions. The retirement assets are accrued by means of the **retirement credits** and they are generally converted into a retirement pension at the date of retirement. The death and disability risks are covered by the **risk premiums**. The **inflation premium** ensures that the statutory death and disability benefits are regularly adjusted in line with inflation. Finally, the **contribution to the Security Fund** guarantees that the benefits can be paid even in the event of the insolvency of the pensions insurance scheme; in the event of an unfavourable age structure in the company the Security Fund grants subsidies.

- 7a** Your **personal contribution** is derived from the division of the contributions between employer and employee determined in the regulations and the **total of the contributions and premiums**.
- 7b** Further contribution types by means of which your pension benefits can be improved:
- **Vested benefits brought into the fund:** assets that were paid into the employee benefit scheme due to a change in employment.
 - **Single premiums:** these are voluntary purchases into the employee benefit scheme.
 - The Board of Trustees decides on the **distribution of the disposable assets**.
- 8a** **Maximum purchase amount under the regulations:** an additional amount that the insured person can pay in if he/she wishes to improve his/her insured benefits. The amount shown is based on the issue date of the insurance certificate; the sum that can actually be paid in depends on the date of purchase and other factors that are constantly subject to change. Therefore the "Purchase request" form must be submitted prior to any purchase.
- 8b** The amounts listed here are the **maximum possible contributions for the purchase of early retirement** (point 3e in your insurance certificate) that can be paid in if the regulations make provision for this option.
- 8c** The amount that was transferred **to the spouse in the event of a divorce** (or to the registered partner in the event of the dissolution of a registered partnership) and has not yet been repaid. The insured person can repay the sum transferred to the employee benefit scheme, but is not obliged to do so. The difference between the transferred benefits and the repaid benefits is shown.
- 8d** In the case of insured persons who married after 31 December 1994 the **termination benefit at the time of the marriage** is shown here. In the event of a divorce it serves as the basis for calculating the termination benefit accrued during the marriage. In the event of marriage before 1 January 1995, the statutory provisions for the calculation of the termination benefit apply.
- 8e** The amount that was withdrawn early and/or pledged for the **financing of owner-occupied property** (promotion of home ownership scheme).
- 8f** If the insured person declared to the employee benefit institution that he/she would like to withdraw the full or partial retirement capital instead of a retirement pension (so-called **capital option** or **partial capital option**), this is noted here.
- 8g** Indicates whether the **order of beneficiaries conforming to regulations** and/or whether a **partner's pension** was registered. In both cases, the appropriate form must be signed and submitted.
- 8h** Shows purchases made during the past three years: Following purchases, benefits may not be drawn in the form of capital in the three years following the purchases.
- 9** **Calculation basis:** The amount of the applied **conversion and interest rates** (compulsory and supplementary) are listed under this point on your personal insurance certificate. In the example illustrated, the values are shown as neutral.
- 10** If you should have any questions regarding your company's employee benefit scheme, please contact the **members of the Board of Trustees** in the first instance. You will find their names at the bottom of your insurance certificate. If this information is missing, please contact your employer.

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More information at

www.swisscanto-foundations.ch

