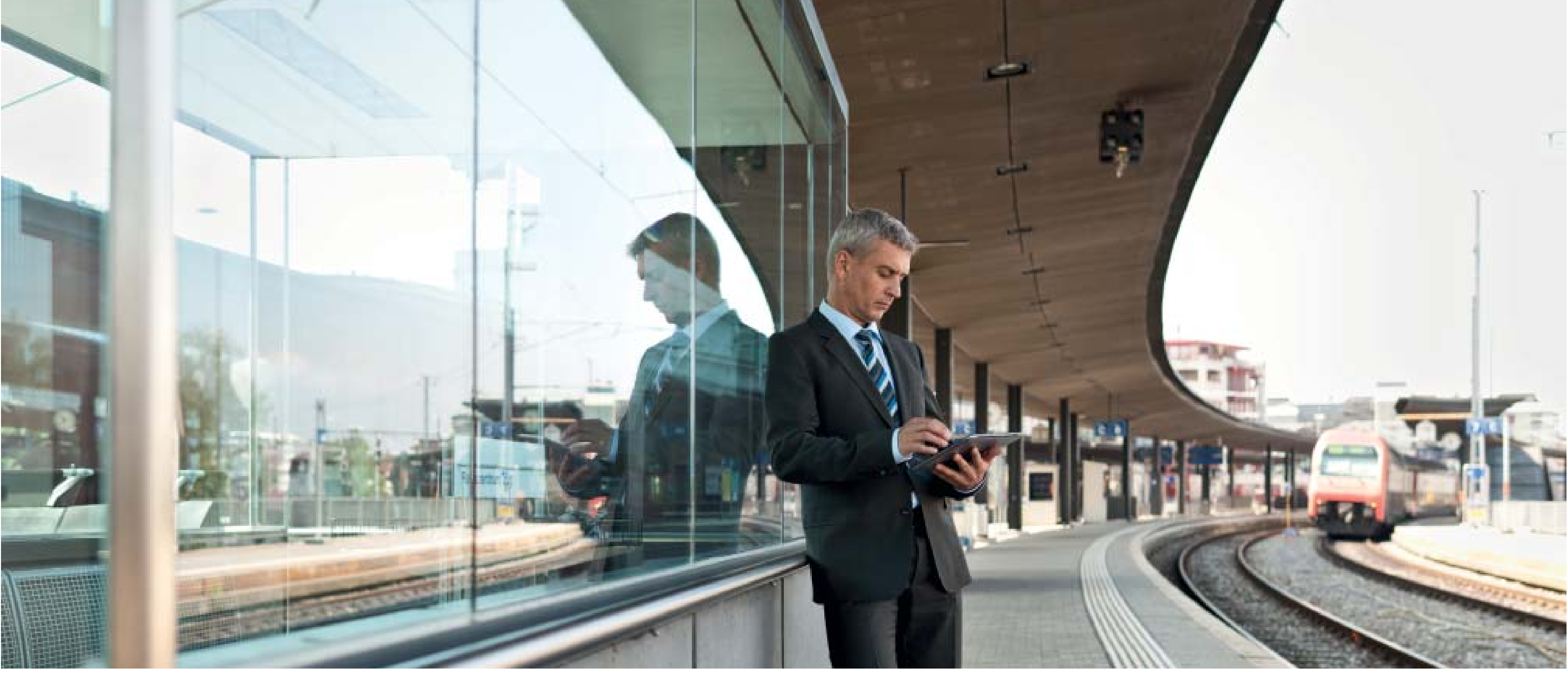


Newsletter of
Swisscanto Supra

Occupational Benefits News Nr. 2/2015

Swisscanto

Editorial

Davide Pezzetta
Managing director

Dear Customer,

An eventful year will be drawing to a close in the coming days. The year was mainly marked by the decision taken at the very beginning by the Swiss National Bank to discontinue the minimum exchange rate for the Swiss franc against the euro. In the course of the year this decision would not only have a decisive influence on the economy as a whole but also on the actions of the Swisscanto Collective Foundations. The consequences have made it clear to businesses, employees, employers and the entire population how fragile success and prosperity are. However, we have also learned how to react to such scenarios and to prioritise, enforce or defer certain measures – promptly and flexibly. This and numerous important developments concerning occupational benefit schemes are discussed once again in our year-end issue of "Occupational Benefits News".

In this issue, for instance, you can find out under "Products and benefits" how the Swisscanto Collective Foundations are adapting their products and services to take account of customers' needs and the market situation. Some important changes have also found their way into the pension fund regulations. You can learn more about this on page 13.

We also report on the interest that will be paid on old-age savings in 2016 and the elections for the Board of Foundation's new period of office, which were held this year.

2015 was also a year that saw some important developments on the political scene. Despite it being an election year, there was a hefty debate about such topics as the reform points of "Pension 2020" and thus about the necessary adjustments for the first and second pillars. The Council of States has already made its decisions. You can find out more about the current state of affairs under "Pension 2020" from page 9.

I wish you, your employees and your company all the best and much success in the new year.

Davide Pezzetta
Managing director

Products and benefits (I)

In our product management, too, the customer plays a key role: To the extent possible, products and benefits should be tailored to changing needs and influences. Thus, starting 01.01.2016, we will be adjusting our benefits to meet customer needs to an even greater extent.

Expanded accident coverage for all – in particular, domestic partners can benefit

Switzerland, too, is seeing fewer and fewer classic families with the father as the main wage earner. There is a growing variety of forms of coexistence with single parents, domestic partnership, and patchwork families. Legislation is responding to these changes, but here too, reality is quicker.

One example is domestic partnerships: More and more couples, including those with children, are living together permanently without getting married. Domestic partners are not entitled to benefits under the 1st pillar or under mandatory accident insurance. Apart from a good private pension plan, this makes benefits under an occupational benefit scheme all the more important. In principle, with all of our group foundations in Switzerland, partners are insured in the same way as spouses. In particular, they are entitled to a survivor's pension as well as to potential lump sum death benefits. However, there are certain basic conditions that have to be met.

The most important condition for entitlement to a partner's pension is prior registration of the partnership with the group foundation. Since in the case of death, there are unfortunately often competing entitlements – for example, for the partner and children from an earlier marriage – it is important to establish in a timely manner who is to be a beneficiary. In certain situations, it makes good sense not to register the partner. If a registration is not on file, and accordingly, a partner's pension is not envisioned, the accrued old-age savings are disbursed to the survivors in the case of death. In each case, it is possible to change the order of beneficiaries under the regulations and adjust it to conform to actual needs. You will find a link to the form in the box at the end of this section.

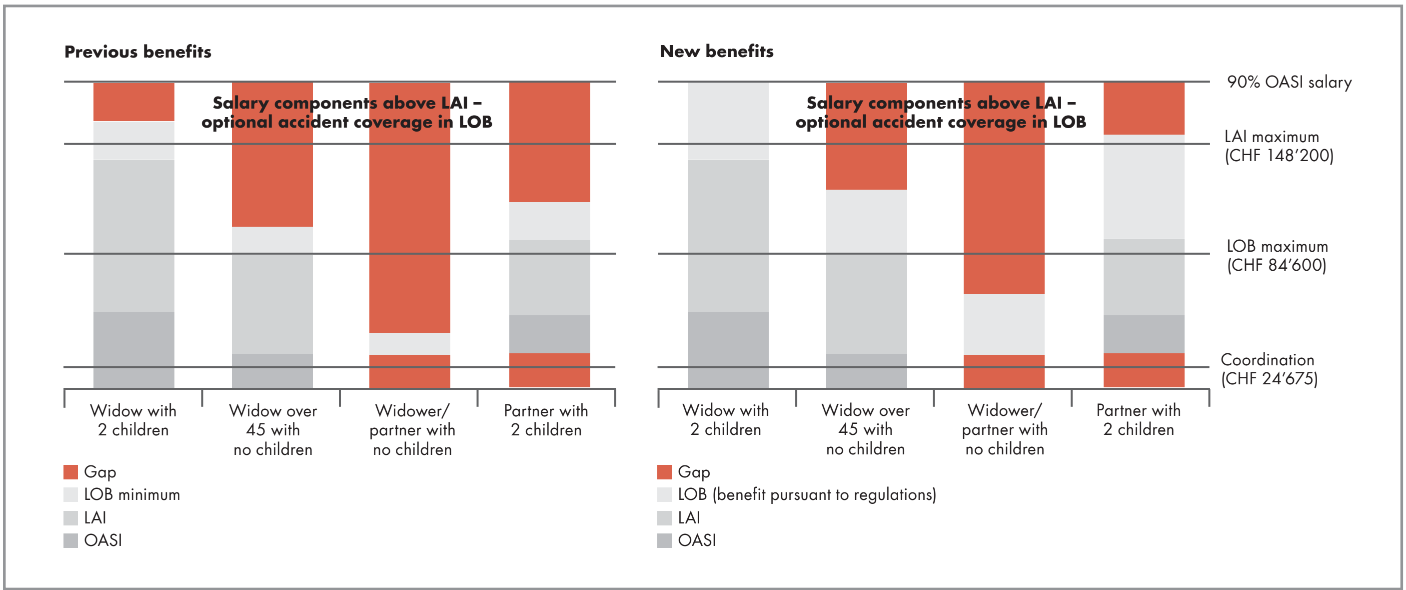
Another important condition is a jointly managed household. In some cases, a joint household can also consist of separate residences. Controlling for the determination is the intention to share "bed and board (table)". In some cases, this intention cannot be implemented for compelling reasons, for instance, the partner is a teacher and is forced to have a residence, or the partner lives in a care facility for health reasons. We have compiled the other conditions as well as further details about all issues concerning partnerships in our current information sheet "Partner in the occupational benefit scheme".

Since to date partners do not receive an entitlement to benefits under the 1st pillar and from the LAI, gaps in cover constantly occur in the case of death. This can be especially grave in the event of an accident, since spouses are paid high benefits under the LAI here, and accordingly, only the statutory minimum benefits under the occupational benefit scheme are normally payable in the event of accidents. The current situation in our group foundations is shown in the left chart on the following page.

A classic family is well provided for under this model. For all others, large gaps can sometimes occur with regard to income. We have an improved solution here: With our group foundations, the full spouse's pension under the regulations is now also payable in the event of an accident. The new cover is free and applies to portions of wages up to the LAI maximum. Since as of 01.01.2016, the LAI maximum is CHF 148,200, about 95% of all insured persons are thus assured the full spouse's pension under the regulations in the event of death by accident. According to the example new benefits arise as a result (see the right chart on the following page).

Products and benefits (II)

Example: OASI salary CHF 200,000; LOB: insured spouse's pension 24% up to the LAI maximum, children's pension 8% up to the LAI maximum



In the annex to the insurance certificate (cf. report on the pension fund regulations on page 14), we make individual insured persons aware of the change. It is advisable to review personal insurance cover using the insurance certificate. At most, private accident insurance can be reduced by this benefit expansion. In order to make the particular situation more easily assessable, we now make separate reference on the insurance certificate to the insured benefits in the event of accident or illness. This makes a great deal of sense, since as the chart below right shows, there can be pension gaps even with our current benefits expansion depending on the family situation. Our information sheet "Your insurance certificate explained" describes the most important aspects of the insurance certificate.

Products and benefits (III)

Adjustment of continued post-retirement-age insurance

Employees are increasingly looking to continue working beyond the statutory retirement age (men: 65; women: 64). In the event of continued employment, the retirement pension under the 2nd pillar can be drawn regularly. In its pension fund regulations, Swisscanto offers insured persons the option of continuing their pension insurance until they actually retire. Continuation, including in the event of semi-retirement, is permissible up until the 70th birthday at the latest.

Previously, benefits in case of death were continued at the previous existing level after reaching the statutory retirement age. In some cases, this led to high risk premiums and benefits for affected persons that did not match needs. With regard to continued insurance after reaching retirement age, the focus is now on increasing the age benefit, not the risk benefits. Benefits in the case of disability are no longer envisioned at all. Benefits in the event of death essentially correspond to those upon retirement. In particular, separately insured lump sum death benefits no longer apply. If the insured person dies during the period of continued insurance, the following benefits will now be provided:

- spouse's or partner's pension, provided that these were already insured before retirement age: 60% of the expected retirement pension at the age of 70;
- orphan's pension, provided that this was already insured before retirement age: 20% of the expected retirement pension at the age of 70;
- restitution of contribution if there is no eligible spouse/partner or the accrued old-age savings have not been fully drawn.

If no retirement pension is envisioned in a cadre employee benefit scheme, a one-time disbursement of a lump sum death benefit payable on death is made in the amount of the projected old-age savings at age 70.

In other words, if an employee decides to continue working after the statutory retirement age, he or she benefits from the following:

- Old-age savings increase through interest and savings contributions. In the same way, any capital benefit also increases upon retirement.
- The conversion rate used to calculate any retirement pension increases.
- Contributions can still be deducted from taxable income.
- The timing of the retirement benefits can be coordinated with OASI. The OASI retirement pension can be deferred by a maximum of five years.
- Disability benefits and lump sum death benefits no longer apply, which reduces the risk contribution significantly.

Benefits for insured persons who were subject to continued insurance prior to 01.01.2016 will remain unchanged.

Liquidation of individual surplus accounts

Dated on 01.01.2016, nearly all existing individual surplus accounts will be liquidated, and the amount will be credited to supplementary old-age savings. As a result, starting 01.01.2016, the surplus will normally increase the retirement pension and will no longer be paid out separately as capital. In accordance with the provisions of the regulations, it is of course still possible to draw old-age savings – or a part of them – as capital upon retirement. The surplus will continue to be listed separately and be paid out in case of death as additional capital.

These are the benefits

- Surpluses now generate yields at the supplementary interest rate.
- Surpluses are now paid out upon retirement.

Interest paid on old-age savings in 2016

Last year we reported that in future the target interest rate for old-age savings would generally be based on the technical interest rate of 3%, within the framework of the new performance strategy. In 2015 the Board of Foundation even managed to exceed this target and grant an interest rate of 3.5%.

In making its decision about the interest to be paid on old-age savings in 2016, the Board of Foundation considered developments in the capital markets on the one hand, while also taking account of the fact that, after the introduction of negative interest rates by the Swiss National Bank, the yield on ten-year federal bonds frequently slipped into negative territory during the course of the year. The Board of Foundation has therefore decided to make an appropriate adjustment to the interest rate. The interest rate for old-age savings will now be 3.0%.

In making this decision the Board of Foundation underlines its commitment to fair treatment for insured persons and to the crucial principle of ensuring the safety of the pension assets entrusted to us. After all, Swisscanto Supra will still be paying more than twice the minimum interest rate of 1.25% decided on by the Federal Council, while still adhering to its strategic goal of achieving an average interest rate of 3% over several years.

Modification of the conversion rates for pensions as at 2016

Longer longevity and guaranteed pensions are signs of prosperity and gratifying. However, a problem arises from ever lower yields on investments and ever longer pension pay-out periods under occupational benefit schemes.

For these reasons and due to persistently low interest rates, a correction to conversion rates has become unavoidable for the reinsurer of Swisscanto Supra, Helvetia Insurances. The abolishment of the minimum CHF-EUR exchange rate and the introduction of negative interest rates by the Swiss National Bank in January 2015 have accelerated this decision.

This reduction of the conversion rate applies exclusively to contracts of Swisscanto Supra that insure a retirement pension. In addition, the reduction only becomes important once a retirement pension is actually drawn. Swisscanto Supra has concluded an insurance contract with Helvetia Swiss Life Insurance Company Ltd for the insurance of retirement pensions.

Consequently, the applicable pension conversion rates are determined by Helvetia according to this insurance contract – in contrast to the Swisscanto Collective Foundation, which bears the risks of the retirement pensions itself and therefore also determines the conversion rates itself. The conversion rates in the Swisscanto Collective Foundation remain unchanged.

The 2016 insurance certificates of Swisscanto Supra, which your employees will receive at the beginning of 2016, only take the conversion rates valid for 2016 into account to calculate future old-age savings and benefits. We will provide you with more information on this at the end of March 2016.

You can find the the details concerning the adjusted conver-sion rates in our leaflet ”Conversion rates Supra Collective Foundation, valid from 2016” unter www.swisscanto-collec-tive-foundation.ch ▸ Forms and Leaflets.

These measures have no consequences for

- current pensions;
- old-age savings that are drawn in the form of capital.

Changes to Social Insurances on 01.01.2016 (I)

We inform you at this juncture also about re forms involving social insurance schemes that take effect on 01.01.2016.

Our information sheet “Mandatory Social Insurances” (not yet available in english) gives an overview of the social insurance provisions that are valid at present.

The most important adjustments for the 1st pillar (OASI, DI and supplementary benefits)

OASI and DI pensions remain unchanged. Normally, OASI and DI pensions are adjusted every two years. The last adjustment was made on 01.01.2015. Accordingly, the planned date for the next adjustment is not until 01.01.2017.

However, ***there will be changes to contributions.*** The reason for this is the **lowering of the contribution to loss of earnings compensation (LEC) to 0.45%.** Loss of earnings compensation for employees and benefits in the case of maternity are financed through surcharges on OASI contributions. The previous contribution rate of 0.5% was set in 2011 for a period of five years. The Federal Council resolved to lower the contribution once the reserves again met the statutory minimum requirements, and these are also able to be maintained with the reduced rate. The contribution was again adjusted for a limited time and is valid until the end of 2020. The **contributions for employees** are now:

in %	Employer	Employee	Total
AHV	4.200	4.200	8.400
IV	0.700	0.700	1.400
EO	0.225	0.225	0.450
Total	**5.125**	**5.125**	**10.250**

The contributions for self-employed persons were also lowered. The **minimum contribution for self-employed and unemployed persons** is now CHF 478. It contains the contributions for OASI, DI, and LEC. For unemployed persons, the **maximum amount** is limited to 50 times the minimum contribution and is **now CHF 23,900.**

Adjustments to the 2nd pillar (LOB)

Unchanged limiting amounts for occupational benefit schemes (in CHF)

Entrance threshold	21 150
Maximum attributable LOB salary	84 600
LOB coordination deduction	24 675
Maximum insured LOB salary	59 925
Minimum insured LOB salary	3 525
Maximum insured salary for occupational benefit schemes	**846 000**

Adjustment of the LOB minimal interest rate
The LOB minimal interest rate will be lowered and now amounts to 1.25%.

No adjustment to the current mandatory survivors’ and disability pensions in LOB
By law, survivors’ and disability pensions under mandatory occupational benefit schemes must be periodically adjusted to take inflation into account. The adjustments are based on the development of the Swiss Consumer Price Index.

The first-time adjustment of a mandatory survivors’ or disability pension to match price developments is generally carried out after three years, at the beginning of the following calendar year. The first-time adjustment on 01.01.2016 will therefore affect pensions that were first paid out in 2012.

The adjustment will be based on the price development indexes of September 2012[1] and of September 2015[2]. Due to the negative price developments, pensions do not have to be adjusted.

Other adjustments will be made at the same time as the adjustments to the old-age and survivors’ pension (OASI). This applies to pensions that were first paid out prior to 01.01.2012. An adjustment will again be made to these pensions on 01.01.2017 at the earliest.

[1] September index 2012: 99.3; basis December 2010 = 100

[2] September index 2015: 97.7; basis December 2010 = 100

Changes to Social Insurances on 01.01.2016 (II)

Adjustment of the maximum insured salary under accident insurance pursuant to LAI

The maximum amount of salary insured under LAI will be **raised from CHF 126,000 to CHF 148,200.** The adjustment also has an impact on other social insurance schemes that are based on this value. For disability insurance (DI), this affects the maximum insured salary for the determination of daily allowances, and for unemployment insurance, in addition to the assessment basis for daily al lowances, also the salary limits for contributions.

How is the maximum insured wage in LAI determined?

In contrast to the 1st pillar and occupational benefit schemes, the adjustment of the maximum insured salary for accident insurance occurs at much greater, irregular intervals. The last adjustment was made on 01.01.2008. The adjustment is based on the statutory requirement that normally at least 92% but not more than 96% of all insured employees are insured in the full amount of their salary. An increase is being imposed on 01.01.2016 because otherwise fewer than 92% of insured employees would be insured in the full amount of their income. With the threshold of CHF 148,200, approximately 95% of employees will have their full income insured.

Important changes to other social insurance schemes

With regard to **unemployment insurance (UIA),** the salary limits will be adjusted in terms of both contributions and benefits because of the increase of the maximum salary to be insured under LAI. Regular contributions of currently 2.2% will now be assessed on salaries up to CHF 148,200. The solidarity contribution of 1% applies to portions of salary over CHF 148,200. The maximum insured salary for determining daily allowances is being increased to CHF 148,200.

Pension 2020 – status of work (I)

In the edition 2/2014 of "Occupational Benefits News", we described for you important aspects of the reform of the first and second pillars. In view of economic and demographic developments this reform is very significant with regard to the future of the 1st and 2nd pillars. You can find out here about the current status.

In late 2014, the Federal Council prepared the definitive bill on "Pension 2020" and sent it to Parliament for deliberation. The Social Security and Health Committee of the Council of States (SSHC-S) changed and improved a number of points in the bill. In addition, it advocated doing away with certain reform points, such as the highly controversial modifications involving widow's pensions in the 1st pillar. Already in the autumn of 2015, the bill was placed on the agenda of the Council of States. The Federal Council plans to have it enter into force on 01.01.2020.

The Council of States wants to implement the reform on 01.01.2018. This date is very ambitious. As a next step, the National Council has to debate the bill.

In the following, we show you the proposed modifications following deliberation by the Council of States, focused on the 2nd pillar. The Council of States is in favour of a holistic consideration of the 1st and 2nd pillars and supports the Federal Council's objective of maintaining the existing benefits level. It unambiguously advocates lowering the conversion rate, but it is taking its own path with re spect to compensatory measures. We inform you here of the results that affect the 2nd pillar.

1. Retirement age

Das Rentenalter legt fest, ab wann eine volle Rente bezogen werden kann und wann ein Altersrücktritt mit höherer oder tieferer Rente möglich ist.

- ***To date***
  Under occupational benefit schemes and OASI, the normal retirement age is 64 for women and for men it is 65. Under occupational benefit schemes, the pension fund regulations may set retirement between age 58 at the earliest and age 70 at the latest. In the pension fund regulations of the Swisscanto Collective Foundations, the statutory discretion is exploited in full. Under OASI, a pension can be drawn up to two years earlier or postponed for up to five years.

- ***Federal Council***
  The reference age under OASI and occupational benefit schemes is to be set at age 65 for women and men alike. Now, under both pillars, it is to be possible to draw a pension between ages 62 and 70. Under occupational benefit schemes, pensions are reduced or increased virtually automatically in that pay-in times are shorter or longer, and the conversion rate is dependent on the corresponding age. The rates for reduction or increase are stipulated under OASI. The reduction rate applicable today – 6.8% per advance withdrawal year for workers with low and middle incomes (stated are annual incomes up to CHF 50,000, at most CHF 60,000) – is to be lowered, provided that the relevant individual paid OASI contributions at ages 18, 19, and 20.

- ***Council of States***
  The reference age is approved. For the increase of the retirement age for women to age 65, the Council of States establishes a three-year rather than the six-year deadline proposed by the Federal Council. In the 2nd pillar, the employee benefit institutions are given the ability to provide for retirements also prior to age 62 under certain conditions. By contrast, the lowering of the reduction in the event of early retirement is rejected for low and middle incomes under OASI.

Pension 2020 – status of work (II)

2. Entrance threshold
The entrance threshold establishes when an employed person is obligated to be insured under an occupational benefit scheme.

- ***To date***
  ¾ of the maximum OASI pension
  (2016: CHF 21'150)

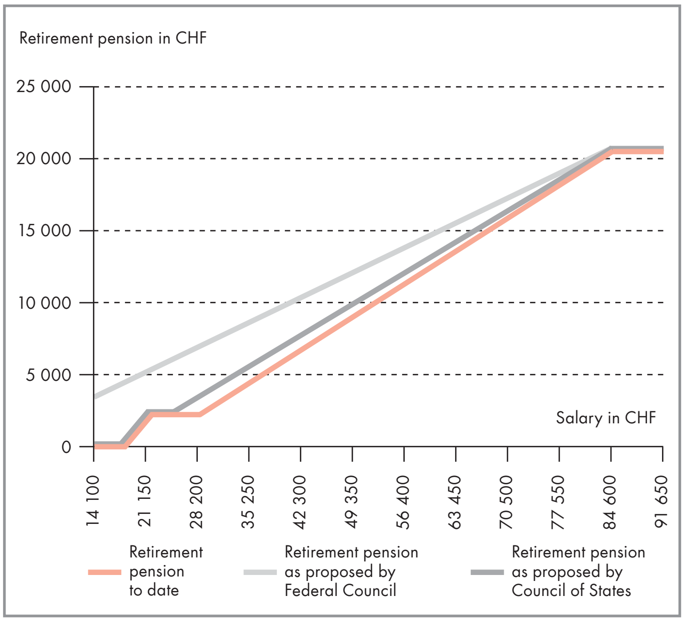
- ***Federal Council***
  ½ of the maximum OASI pension
  (2016: CHF 14'100)

  The Federal Council proposes lowering the entrance threshold in order to grant part-time employees a better pension. Along with the new old-age credits and the abandonment of the coordination deduction, this modification met with great criticism.

- ***Council of States***
  The Council of States rejects the lowering of the entrance threshold and leaves it at the previous value, i.e. at ¾ of the maximum OASI pension (2016: CHF 21,150).

The adjacent chart shows clearly that with the lowering of the entrance threshold and the dispensing with the coordination deduction, the proposal of the Federal Council entails significant improvements, particularly in the area of low wages, with corresponding effects on costs. The solution of the Council of States is much closer to the current solution.

Retirement pension comparison with maximum contribution period (interest 0%)



3. Coordinated salary
In order to achieve the pension objective, the benefits under the 1st and 2nd pillars are coordinated. The relevant income that must be insured under an occupational benefit scheme is called the "coordinated salary". Under the current system, this is determined from gross annual salary less the coordination deduction.

- ***To date***
  Coordinated salary: annual OASI salary, which ranges from 7/8 to three times the maximum OASI pension
  (2016: CHF 24,675 to CHF 84,600)
  Coordination deduction: 2016: CHF 24,675
  Minimum insured salary: 1/8 of the maximum OASI pension (2016: CHF 3,525)

- ***Federal Council***
  The coordination deduction is to be dispensed with, the upper salary limit is to remain unchanged at three times the maximum OASI pension (2016: CHF 84,600). The extension of the insured salary is intended to contribute to offsetting the lowered conversion rate and enable a better pension for part-time employees.

Pension 2020 – status of work (III)

- ***Council of States***
  The proposal of the Federal Council is rejected. The coordination deduction is to be retained at a lower level and be adjusted for part-time employees to conform to the degree of occupation. In addition, the minimally insured salary is to be increased. The Council of States established the following threshold values: Coordinated salary: annual OASI salary, which ranges from ¾ to three times the maximum OASI pension (2016: CHF 21,150 to CHF 84,600).
  Coordination deduction: ¾ of the maximum OASI pension (2016: CHF 21,150), with corresponding adjustment to conform to the degree of occupation for part-time employees.
  Minimum insured salary: ⅛ of the maximum OASI pension (2016: CHF 4,700).

4. Old-age credits/old-age savings
Old-age savings are augmented with old-age credits and investment income. Old-age credits are calculated as a percentage of the coordinated annual salary.

- ***To date***
  7% for 25- to 34-year-olds
  10% for 35- to 44-year-olds
  15% for 45- to 54-year-olds
  18% starting at 55

- ***Federal Council***
  5% for 25- to 34-year-olds
  9% for 35- to 44-year-olds
  13% starting at 45

  Together with the adjusted salary basis, the sometimes higher old-age credits are intended to cushion the lowering of the conversion rate and provide some relief for older employees.

- ***Council of States***
  The proposal of the Federal Council is based on the salary basis without coordination deduction. The Council of States provides for an increase over today for the rates for the old-age credits on the basis of a coordinated salary in the age group of 35- to 54-year-olds, and the savings process to be moved up to age 21. The old-age credits amount to:
  5% for 21- to 24-year-olds;
  7% for 25- to 34-year-olds;
  11% for 35- to 44-year-olds;
  16% for 45- to 54-year-olds;
  18% starting at 55

  The increasing of old-age credits and the moving up of the savings process are designed to help preserve the benefit level.

5. Minimal conversion rate
The conversion rate is the percentage at which old-age savings are converted to an annual, lifelong retirement pension. The conversion rate is stipulated by law only for the mandatory portion. A lowering can be offset with higher old-age credits, longer savings process, or extension of the insured salary.

- ***To date***
  6.8% for men with retirement age 65, for women with retirement age 64

- ***Federal Council***
  Reduction in four steps to 6.0% at age 65 for men and women

- ***Council of States***
  The Council of States approves the proposal of the Federal Council.

Unfortunately, the lowering of the LOB conversion rate that was proposed by the Federal Council and accepted by the Council of States cannot adequately account for the consequences of the demographic conditions and the ongoing tense situation on the investment markets, and as a result cannot prevent the associated cross-subsidisation between employees and pensioners.

Pension 2020 – status of work (IV)

6. Compensatory measures to preserve the benefit level

Absent accompanying measures, the lowering of the conversion rate leads to a lower benefit level. The current benefit target can be maintained with adjusted rates for old-age credits and/or an extension of the insured salary. However, this applies only to insured persons who still have enough time. Older insured persons have pension gaps, despite higher old-age credits.

- ***Federal Council***
  For insured persons who have reached the age of 40 at the time the new provisions enter into force (so-called transition generation), the pension gaps are to be reduced through a compensatory payment via the Swiss-wide security fund.
- ***Council of States***
  The Council of States shifts some of the compensatory measures to the 1st pillar. Compensatory payments via the security fund are to be granted only to insured persons who have reached the age of at least 50. In addition, however, new pensioners are to be granted an annual retirement pension supplement of CHF 840 via the first pillar, and the ceiling for pensions for married couples is to be raised from the current 150% to 155%.

The following chart illustrates the effects using a numerical example.

Example: OASI salary CHF 70,000 at 0% interest

	in CHF							
Age at the time the reform enters in force	Old-age savings at age 65			Retirement pension at 65				
	To date	Federal Council proposal	Council of States proposal	To date	Federal Council proposal	Difference	Council of States proposal	Difference
20	226 625	280 000	263 790	15 411	16 800	1 389	15 827	416
30	226 625	278 364	252 786	15 411	16 702	1 291	15 167	–244
40	226 625	267 890	247 348	15 411	16 073	662	14 841	–570
50	226 625	247 546	238 056	15 411	14 853	–558	14 283	–1 128
60	226 625	231 333	229 798	15 411	13 880	–1 531	13 788	–1 623

What you as employer must note

- Increase of the maximally insured earnings under LAI to CHF 148,200
- Adjustment of the salary basis for contributions to unemployment insurance
- Lowering of the contribution to loss of earnings compensation (LEC) to 0.45%

Further information

- Leaflets for OASI/DI/IC at www.ahv-iv.info
- Federal Social Insurance Office: Information on all social insurance schemes at www.bsv.admin.ch
- Information sheet "Mandatory Social Insurances" (not yet available in english) at www.swisscanto-collective-foundation.ch ▸ Forms and Leaflets

Amendments to the general provisions of the regulations on 01.01.2016

Pension fund regulations
Pension fund regulations regulate the benefits under occupational benefit schemes. Starting now, we will inform you at this juncture each year about changes to our regulations and use the opportunity to offer a few fundamental pointers.

Meaning and purpose of pension fund regulations
Pension fund regulations regulate the relationship between the employee benefit institution (foundation) and the benefits recipients – in particular, the entitlement to benefits and the financing of pensions. The contract of association, however, regulates the relationship between the employer and the foundation, i.e. the rights and obligations of the contracting parties, which include due date, premiums, and benefits.

At the start of each year, the insured persons of the Swisscanto Collective Foundations are notified with the direct mailing of insurance certificates about the substantive changes to the general provisions of the regulations and about the availability of the legally binding documents and any other important innovations. The time at which information is provided depends on when the employer reports the new salaries.

Amendments to the general provisions of the regulations on 01.01.2016
The remarks in the annex to the insurance certificate briefly describe the substantive changes for the new year. This compilation is intended for information purposes. Only the corresponding provisions of the regulations are legally binding.

Further information
- The current general provisions of the regulations of the Swisscanto Collective Foundations always new starting in January at www.swisscanto-collective-foundation.ch ▸ Supra Collective Foundation ▸ Employee Benefits Regulations
- The information sheet “Board of Trustees” at www.swisscanto-collective-foundation.ch ▸ Forms and Leaflets

Amendments to the General Provisions of the Pension Fund Regulations 2016

We hereby wish to inform you, as an insured person of the Swisscanto Collecitve Foundation of the Cantonal Banks and/or the Swisscanto Supra Collective Foundation of the Cantonal Banks, Basel, about the key general amendments to the Pension Fund Regulations. These amendments will come into force as of 1st January 2016, irrespective of the effective date of your benefit plan.

Amendment concerning provisional cover during the risk assessment

If the risk assessment takes more than three months to complete for reasons for which the insured person is responsible, the provisional cover shall, upon expiry of that three-month period, be limited to the statutory minimum benefits in accordance with the Federal Law on the Occupational Old-Age, Survivors' and Disability Benefit Plans (LOB).

Product adjustment: continued insurance after reaching the statutory LOB retirement age

A general adjustment is to be made to death benefits if an insured person continues his/her insurance after reaching retirement age. For insured persons whose period of continued insurance has already commenced before 1stJanuary 2016, the scope of insurance shall remain unchanged, i.e. the regulations that were in place at the start of that period shall apply.
For insured persons whose period of continued insurance commences after 1st January 2016, the amount of the insured survivors' benefits after the insured person reaches retirement age shall, in future, be determined as follows:

- Spouse's pension: 60 % of the assumed retirement pension at age 70
- Partner's pension: 60 % of the assumed retirement pension at age 70
- Orphan's pension: 20 % of the assumed retirement pension at age 70

The savings process will continue, and the insurance of all other risk benefits will expire when the insured reaches the LOB retirement age.

For insurance plans in the Swisscanto Supra Group Foundation with benefits payable as lump sums and in deviation from the above-mentioned rule, insured survivors' benefits will be replaced with a lump-sum death benefit in the amount of the projected retirement capital with interest for all insured persons. The old-age savings available at the time of death will be taken into account to this lump-sum death benefit.

Amendment concerning enlargement of the entitled group of beneficiaries for "lump sum death benefit for married insured persons"

If the individual benefit plan of a pension fund includes a lump sum death benefit for married insured persons, this benefit will cover not only married insured persons, but also – for the same risk premium – insured persons with partners who are entitled to a partner's pension under the regulations. If you are entitled to receive a lump sum death benefit for married insured persons, you are not entitled to receive any death benefit for unmarried persons.

The order of beneficiaries under the regulations is decisive for determining the entitlements of the individual beneficiaries.

Clarification of procedure to be followed when an insured person leaves the employee benefit institution

An insured person who leaves the employee benefit institution at a time between the earliest possible leaving date and the ordinary retirement age under the regulations shall be entitled to a termination benefit only if he/she remains gainfully employed or registers as unemployed. Otherwise the insured person will be considered to have retired, and his/her retirement benefit will fall due.

Change in use of application of the income and the surpluses "accumulation of interest per policy"

As of 1st January 2016, the standard provision concerning the accumulation of interest on the income and the surpluses granted per policy ("individual accumulation") will be changed.

In the case of pension funds that have hitherto selected the "individual accumulation" option, as from 1st January 2016 each insured person's income and surpluses granted will be assigned as an annual lump-sum contribution to the supplementary old-age savings and held in a separate account.

Any existing savings in the individual profit-share accounts at 31 December 2015 will also be assigned to the supplementary old-age savings and held in a separate account.

The insurance certificate and the annex are sent after the salary reports are processed at beginning of the year.
The time at which the employer submits the salary reports determines the time at which the insurance certificates are sent to employees.

These shares in the old-age savings, which are disclosed and held separately, will not be used to finance survivors' benefits or paid to the survivors as a lump sum death benefit in the event that the insured person dies before reaching retirement age. The order of beneficiaries under the regulations applies mutatis mutandis.

Introduction of general accident cover for spouse's and partner's pensions for parts of the salary below the LAI maximum

An innovation as regards spouse's and partner's pensions for insured parts of the salary below the LAI maximum is that all insured persons will now be granted accident cover for no additional risk premium.

Clarification of the regulations concerning how purchases are incorporated in the old-age savings

By way of clarification, and to enhance comprehensibility for customers, the general provisions concerning the purchase of benefits and the purchase for early retirement will be amended as follows: the provisions will explicitly state that any purchases of benefits and purchases for early retirement will be incorporated in the supplementary old-age savings.

Amendment and clarification concerning the purchase of entitlements to early retirement

The pension shortfall will be calculated on the basis of the current insured salary and the retirement credits set out in the benefit plan, the pension conversion rate at the time of calculation as per the tariff and an interest rate of 0 percent.

The values given in the regulations and/or in the benefit plan are based on the pension conversion rates as per the tariff that were applicable when the regulations came into force. If the pension conversion rates as per the tariff are adjusted, the adjusted rates are applied without requiring any amendment to the regulations.

The contributions are credited to the supplementary old-age savings. Interest is earned at the rate determined by the Board of Foundation for interest on supplementary old-age savings.

Reduction in pension conversion rates

The following information applies solely to pension funds or insured persons with a pension solution from Swisscanto Supra Collective Foundation of the Cantonal Banks:

As the reinsurer of the Swisscanto Supra Collective Foundation, Helvetia Swiss Life Insurance Company Ltd is lowering the pension conversion rates as of 2016. The new insurance certificate for 2016 takes this reduction into account. The conversion rate is shown on page 2 of the insurance certificate.
Further reductions can be expected by the reinsurer for 2017 and 2018. The insurance certificate for 2016 uses only the conversion rates applicable to 2016 to calculate future old-age savings and retirement benefits on page 1. Your employer will receive further relevant information at the end of March 2016 and will inform you. Your employer is your first point of contact for questions.

You can find additional information in our leaflet entitled "Conversion rates Swisscanto Supra" at www.swisscanto-sammelstiftung.ch → Forms and Leaflets.

This summary is for information purposes. Only the corresponding provisions of the pension fund regulations are legally binding. The current general provisions of the regulations as of 2016 can be downloaded from the following Swisscanto websites (depending on which foundation you belong to):
www.swisscanto-sammelstiftung.ch
Print out the provisions of the regulations and keep them with your employee benefit scheme documents.
It is possible that you may need the provisions of the regulations for tax purposes.
You can also order a printout of the new provisions of the regulations from your board of trustees.

Important dates

Important dates 2016

In January	New annual account statement
30 January	Deadline for submitting salary lists 2016
31 January	Due date for risk premium 2016
End of May	Annual report 2015 of Swisscanto Collective Foundation
In June	Annual report 2015 of Swisscanto Supra Collective Foundation
In November	Salary lists and provisional contribution statement 2017 (based on the processed salary changes 2016)
31 December	Due date for savings premium 2016

Links

- Information sheets on benefit scheme subjects and forms for employers and employees at www.swisscanto-collective-foundation.ch

Personal consulting and personal orientation
Swisscanto Supra offers comprehensive insurance and pension solutions for companies. Would you or your employees like a personal consultation or personal orientation? If so, please contact your advisor at Swisscanto or at your Cantonal Bank.

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