Fonds de Pensions
Nestlé

Nestlé

Savings Plan

Regulations

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Preamble

Name

1. The following abbreviations are used in these Regulations:

Fund	Fonds de Pensions Nestlé
Employer	Nestlé S.A., or any legal entity which is at least 50% owned by Nestlé SA and is economically or financially related to it, and whose affiliation to the Fund has been accepted by the Pension Board.
AVS/AHV	Federal Retirement and Survivors' Insurance
AI/IV	Federal Disability Insurance
LPP/BVG	Federal Act on Occupational Retirement, Survivors', and Disability Pension Plans
LFLP/FZG	Federal Act on Vesting in Pension Plans

2. Unless expressly stated otherwise, words importing the masculine gender include the feminine gender.

3. Registration of a civil partnership, within the meaning of the Federal Act on Civil Partnerships between Persons of the Same Sex, at a registry office, is treated in the same way as a marriage within the meaning of these Regulations. Persons in a registered civil partnership are treated in the same way as married persons (spouses) within the meaning of these Regulations. The legal dissolution of a civil partnership is treated in the same way as a divorce within the meaning of these Regulations.

Introduction

Article 1 Name and object

1. The "Fonds de Pensions Nestlé", in Vevey, is a foundation within the meaning of Secs. 80 et seq. of the Swiss Civil Code, established by notarial deed dated 5 May 1948.

2. The object of the Fund is to provide benefits to its members and their survivors, namely spouses, orphans and designated persons, in the event of retirement, death or disability, in accordance with its regulations.

Article 2 Relationship with the LPP/BVG and LFLP/FZG

1. The Fund is an occupational benefits institution providing compulsory insurance introduced under the LPP/BVG. It is registered with the Autorité de surveillance LPP et des fondations de Suisse occidentale (regulatory authority), pursuant to Article 48 LPP/BVG. Under the terms of this registration, the Fund must satisfy at least the minimum requirements of the LPP/BVG and its ordinances.

2. The pension plan adopted by the Fund is a "defined contribution plan", within the meaning of Article 15 LFLP/FZG.

Article 3 Affiliation agreement

1. The Fund may insure employees of companies with close economic or financial ties to the Employer, and to this end enters into an affiliation agreement.

2. The affiliation agreement deals with the following points in particular:
   a. termination procedures;
   b. the situation of pensioners in the event of termination;
   c. application of the Foundation Charter and the Fund Regulations to the affiliation agreement.

Membership in the Fund

Article 4 General principle

1. All employees of the Employer, whose reference salary is above the threshold (Annexe I), must join the Fund.

2. HBEs (Home Based Expatriates) Inpats do not join the Fund.

3. The following employees are not insured:
   a. employees who have already reached normal retirement age, subject to Article 29;
   b. employees hired for a limited period of 3 months or less; if the employment is extended beyond the 3-month period, the employee is insured from the time the extension is agreed;
   c. employees who have other gainful employment, provided however that they are already subject to compulsory occupational benefits insurance for their principal employment, or that their principal employment is in a self-employed capacity;
   d. employees who are at least 70% disabled, as defined by the AI/IV, at the start of their employment, or who have remained temporarily insured within the meaning of Article 26a LPP/BVG.
   e. employees who are not subject to AVS/AHV.

4. Employees whose work in Switzerland is unlikely to be long term may be exempted from joining the Fund, provided they have adequate coverage abroad and apply to the Fund for an exemption, Exceptions to the above are employees who are nationals of an EU Member State, Iceland, Norway or Liechtenstein working in Switzerland without the benefit of a secondment.

5. Employees working for several employers may only insure with the Fund the salary paid by the employer.

Article 5 Start

1. Membership in the Fund begins on the first day of employment but not before 1 January of the year following an employee's 17th birthday and if the reference salary is above the threshold (Annexe I).

2. Prior to 31 December following or coinciding with the employee's 24th birthday, insurance coverage is confined to death and disability benefits (risk insurance). From 1 January following the employee's 24th birthday, insurance coverage is extended to include retirement benefits (full insurance).

3. For employees whose reference salary under Article 10 does not exceed the threshold under Article 4 on the first day of employment, membership in the Fund begins on the first day of the month in which the reference salary under Article 10 exceeds the threshold.

Article 6 Obligations at the start of employment

1. At the start of employment, a member must request the transfer of his accrued pension assets held with occupational benefits institutions or vested benefits institutions.

2. The member, or on his behalf the occupational benefits institution of his previous employer and/or the vested benefits institution, must also provide the Fund with all relevant information concerning his personal pension situation, including:

   a. the name and address of his previous occupational benefits institution or vested benefits institution;
   b. the vested termination benefits to be transferred on the employee’s behalf, his minimum LPP/BVG retirement savings capital, and, if he is over age 50, the vested termination benefits accrued at age 50;
   c. if the new member is married, the vested termination benefit to which he would have been entitled at the marriage date. Employees who were married before 1 January 1995, who are unable to inform the Fund of the amount of their vested termination benefits accrued at the date of their marriage, must inform the Fund of the amount of the first known vested termination benefits after 1 January 1995, indicating the date on which they were calculated;
   d. any amount withdrawn from the occupational benefits institution of a previous employer under the encouragement of home ownership scheme which was not fully repaid when the employment ended (including the minimum LPP/BVG portion), details of the relevant residential property, and the date the withdrawal was obtained;
   e. any pledge that may have been made in connection with the encouragement of home ownership, details of the applicable residential property, and the name of the mortgagee;
   f. any amounts transferred to the occupational benefits institution of the ex-spouse following a divorce;
   g. the amounts and dates of any voluntary purchases of pension benefits made in the three years prior to the start of membership in the Fund;
   h. any information concerning any medical exclusion imposed by a previous occupational benefits institution.

3. If the Fund does not receive all the information in paragraph 2, it must request it from the previous occupational benefits institution or vested benefits institution.

4. Where a transfer is made under a pension-sharing order subsequent to a divorce, the Fund also informs the new occupational benefits institution of the portion corresponding to the vested termination benefit, pursuant to Article 15 LPP/BVG.

5. Members are bound by the Fund Charter and Regulations from the time they join the Fund.

Article 7 Medical examination, exclusions and failure to disclose

1. The Fund may require a member to provide confirmation of his full capacity for work within six months of joining the Fund and may, if necessary, require him to undergo a medical examination. Based on the results, the Fund may notify the member in writing of medical exclusions imposed in connection with death and disability risks.

2. Exclusions do not apply to the minimum LPP/BVG benefits, and they may not extend beyond 5 years. On no account may Fund benefits deriving from the vested termination benefit be subject to exclusions other than those that may have been imposed by the occupational benefits institution of the previous employer, or for a period greater than the residual period at the previous occupational benefits institution.

3. Where the health problems subject to an exclusion result in incapacity for work during the term of the exclusion subsequently resulting in death or disability, there is no entitlement to extra-mandatory benefits, within the limits of benefits deriving from the vested termination benefit. The Fund’s death or disability benefits are reduced to the minimum LPP/BVG benefits, within the limits of benefits deriving from the vested termination benefit. The reduction is for life, but not beyond the end of the entitlement to the benefit.

4. Until his membership is confirmed, with or without exclusions, a member receives provisional pension coverage. If an insured event occurs during the provisional coverage period, the only pension benefits payable are those deriving from the vested termination benefit transferred in from the former occupational benefits institution, taking into account any exclusions. Extra-mandatory provisional benefits are paid if the cause of the insured event did not exist before the start of the provisional coverage.

5. If the member provides inaccurate information on the questionnaire or fails to mention a material fact of which he is aware (non-disclosure), or if he refuses to undergo a medical examination, the Fund may, within six months of becoming aware of the non-disclosure or within six months of the day on which the member refuses the medical examination, notify the member by registered mail of the termination of the extra-mandatory risk benefit insurance.

   If, in the meantime, an insured event occurs in connection with the non-disclosure, the Fund may reduce or deny pension benefits and, where applicable, require repayment of benefits improperly paid.

Article 8 Termination

1. Membership in the Fund ceases upon termination of employment for any reason other than disability or retirement, or when the reference salary under Article 10 no longer exceeds the threshold (Annexe I).

2. The employee remains insured with the Fund for death and disability risks during the month following termination of employment, but not beyond the day he joins a new occupational benefits institution; the benefits are those insured on the day the employment terminated.

3. Article 38, pertaining to the temporary maintenance of insurance and benefits entitlement in the event of a reduction or termination of the AI/IV pension, may apply.

Article 9 Leave of absence

1. In the case of unpaid leave agreed with the Employer, the employee remains a member of the Fund, but not beyond two years.

2. No savings contributions or death and disability risk premiums are due from the member or the Employer during the leave.

3. During the term of the leave, the accrued retirement savings capital bears interest at the rate set by the Pension Board, but no retirement credits are allocated. The insured risk benefits are those established at the beginning of the leave of absence. They are reduced if the member receives benefits from another occupational benefits institution.

Definitions

Article 10 Reference salary

1. The reference salary corresponds to the annual base salary including the 13th month (but excluding the bonus, the variable component and any other payments and allocations).

2. On the date of joining the Fund it is equal to the monthly contractual salary in effect at that date, converted into an annual salary based on 12 monthly payments.

3. In the case of employment contracts with an hourly wage, the reference salary as a rule is equal to the salary received during the previous year.

4. The reference salary is limited to ten times the upper LPP/BVG limit. Where a member has several pension plan relationships and his aggregate salaries exceed this limit, he must inform the Fund of all his existing pension relationships and of all the salaries insured in this connection.

5. The Employer informs the Fund of the reference salary when the employee joins the Fund, and then each time there is a change

Article 11 Pensionable salary

1. The pensionable salary is equal to the reference salary, minus a co-ordination deduction. The co-ordination deduction is equal to one third of the reference salary but no more than CHF 20,000.

2. At each increase in the annual salary, the pensionable salary is adjusted accordingly.

3. The Fund does not offer members optional benefits coverage for any income received by from other employers.

4. If the pensionable salary is reduced temporarily as a result of illness, accident, unemployment, maternity, or other similar causes, it is maintained at least for the period during which the Employer is legally obligated to pay the salary under Article 324a of the Swiss Code of Obligations or for the duration of the maternity leave under Article 329f of the Swiss Code of Obligations, provided that the member does not request a reduction.

Article 12 Maintaining benefits coverage at the level of the last pensionable salary

1. A member who has reached age 58 and whose salary is reduced by no more than half, may request that his benefits coverage be maintained at the level of his last pensionable salary, up to normal retirement age.

2. In that case, both the Employer’s and the member’s contributions are paid by the member.

3. The increase of 4% per year of age after the age of 20 in accordance with Article 17 LFLP/FZG, is not calculated on these contributions.

Article 13 Degree of employment

The degree of employment, for the purposes of these Regulations, is the ratio of the employee's work schedule to the full-time work schedule.

Article 14 Normal retirement age

Normal retirement age is the normal AVS/AHV retirement age.

Article 15 Retirement savings capital

1. Each member accrues a retirement savings capital. consisting of:
   a. the vested termination benefit transferred from another occupational benefits or vested benefits institution;
   b. personal purchases (Article 18);
   c. retirement credits (Article 16);
   d. amounts deriving from pension-sharing settlements under Articles 123 124 and 124a of the Civil Code;
   e. any allocations decided by the Pension Board;
   f. any purchases funded by the Employer;
   g. interest accrued on the above amounts.

2. Vested termination benefits, purchases made by the member and the Employer, as well as allocations decided by the Pension Board earn interest immediately. Retirement credits earn interest from 1 January following their allocation.

3. The Pension Board sets the interest rate, taking into account the Fund's financial structure and investment performance. At the end of the financial year, the Pension Board sets the interest rate which is to be credited to retirement savings capital and early retirement accounts for the previous year, as well as the interest rate to be credited for the following year in the case of a termination event or insured event. A shadow account for the LPP/BVG retirement savings capital is kept for each member and is credited with interest at the rate set by the Swiss Federal Council. However, it is used for comparison purposes only in connection with application of the LFLP/FZG.

4. The early retirement account (Article 66) does not form part of the retirement savings capital.

Article 16 Retirement credits

1. Active members who contribute to pension savings insurance are entitled to retirement credits, which are added to their retirement savings capital.

2. Retirement credits are expressed as a percentage of the pensionable salary, taking into account the member's age (difference between the current year and the year of birth) and his chosen insurance plan:

Age		**Retirement credit**	
	Basic Plan	**Standard Plan**	**Top Plan**
17 to 24	0.0%	0.0%	0.0%
25 to 34	14.0%	19.0%	22.0%
35 to 44	18.0%	22.0%	26.0%
45 to 54	25.0%	28.0%	33.0%
55 to retirement	31.0%	33.0%	39.0%

Article 17 Choice of plan

1. Members may change plans (Basic, Standard or Top) with effect at 1 April of any year. The decision must be communicated to the Fund at the latest on preceding 15 March by means of the relevant form available on the Fund's website or from the Fund administration. If no choice is made, he will remain insured under the previously chosen plan.

2. New members and members who have never opted for a different plan are insured under the "Standard Plan".

3. Expatriates from Switzerland who are on temporary secondment abroad are insured under the Standard Plan from the first day of expatriation.

Article 18 Purchases

1. Vested termination benefits transferred from another occupational benefits institution or vested benefits institution are added to the member's retirement savings capital.

2. An active member may, at his request and within the limits of cantonal and federal tax provisions, make purchases with a view to enhancing his retirement benefits. As a rule, only one purchase a year is allowed. Before making his first purchase, the member must fill out the relevant form available on the Fund's website or from the administration.

3. Purchases within the meaning of paragraph 2 may only be made if all withdrawals obtained under the encouragement of home ownership scheme have been repaid, except in cases where repayment of withdrawals is no longer allowed under Article 64, or where benefits are repurchased following a divorce within the meaning of Article 58(5).

4. The maximum purchase allowance is equal to the difference between the maximum permissible retirement savings capital (Annexe I) and the accrued retirement savings capital on the date of the purchase, less:
   a. any vested termination benefits which the member did not have transferred to the Fund;
   b. any amounts withdrawn under the encouragement of home ownership scheme, insofar as these amounts can no longer be repaid under Article 64;
   c. any of the member's 3a pillar assets that exceed the maximum annual tax-deductible contributions under the law from age 24; this amount earns interest at the minimum prevailing LPP/BVG rate, based on the table compiled by the Federal Social Security Office for this purpose.

5. In the case of members who arrived from abroad after 1 January 2006 and who have not previously belonged to an occupational benefits institution in Switzerland, the annual voluntary purchase during the first five years of membership in a Swiss occupational benefits institution may not exceed 20 percent of the pensionable salary defined in Article 11. After that time, a member may purchase full regulatory benefits in accordance with paragraph 4.

6. Purchases are generally deductible from direct federal, cantonal and municipal taxes, but the Fund cannot guarantee the deductibility of payments it receives.

7. The Employer, directly or through the Fonds de Pensions Complémentaire Nestlé, may make allocations or special contributions to the Fund. The Employer's instructions for the allocation of such amounts shall be issued in compliance with the Fund Charter and Regulations.

8. Benefits deriving from a purchase may not be paid out in the form of capital within three years of the purchase date, except in cases of benefits repurchased following a divorce in accordance with Article 58(5).

9. Donations and bequests must be used in the general interest of the Fund.

Fund resources

Article 19 Contributions

1. Contributions to the Fund are payable by the Employer and active members from the time the member joins the Fund, but not before 1 January following his 24th birthday. No contribution is payable by the Employer or the active member before that date; the death and disability risk premium is borne by the Fund.

2. Contributions are divided between a savings contribution and a death and disability risk premium.

3. The risk premiums of the member and the Employer are allocated to the Fund's general risk provision, which covers death and disability benefits for active members in accordance with Articles 33 to 57. These contributions are not taken into account in calculating the termination benefit in accordance with Articles 61 et seq.

4. The obligation to pay contributions ceases when a member is no longer entitled to a salary or to indemnities in lieu of a salary, but no later than on the effective retirement date or at the end of the month of the member's death.

5. The Employer deducts active members' contributions from their salaries and pays them to the Fund at the end of each month together with its own contributions. The latter may be funded by the Fonds de Pensions Complémentaire Nestlé (Fondation Louis Dapples) which is financed exclusively by the Employer.

6. When the financial situation of the Fund and the pension objective allow, the Pension Board, in agreement with the Employer, may decide to temporarily waive full or partial payment of contributions by the members and the Employer. In that case, members' retirement savings capital will continue to be credited with savings contributions borne by the Fund.

Article 20 Members' contributions

1. Members must pay contributions from the time they join the Fund and throughout the duration of their employment, but no later than the date on which they are released from the obligation to pay contributions under Article 37 or the date on which they reach normal retirement age.

2. Members' contributions are expressed as a percentage of the pensionable salary, and depend on the member's age (difference between the current year and the year of birth) and chosen insurance plan:

Age		**Savings contribution**		**Risk**
	Basic Plan	**Standard Plan**	**Top Plan**	**All plans**
17 to 24	0.0%	0.0%	0.0%	0.0%
25 to 34	3.5%	8.5%	11.5%	0.5%
35 to 44	4.5%	8.5%	12.5%	0.5%
45 to 54	5.5%	8.5%	13.5%	0.5%
55 to retirement	6.5%	8.5%	14.5%	0.5%

Article 21 Employer's contribution

1. The Employer pays contributions for all employees who are required to pay contributions.

2. The Employer's contributions are expressed as a percentage of the pensionable salaries and depend on the member's age (difference between the current year and the year of birth):

Age	Savings contribution All plans	Risk All plans
17 to 24	0.0%	0.0%
25 to 34	10.5%	1.0%
35 to 44	13.5%	1.0%
45 to 54	19.5%	1.0%
55 to retirement	24.5%	1.0%

3. The Employer's contributions are transferred to the Fund each month, together with the members' contributions deducted at source.

Fund benefits

General

Article 22 Benefits

The Fund allocates benefits in the following forms and on the following terms and conditions:

a. pensions and/or retirement savings capital;
b. AVS/AHV bridge pensions;
c. temporary disability pensions;
d. contribution waivers;
e. spouse’s pensions;
f. partner’s pensions;
g. child’s pensions;
h. lump-sum death benefits;
i. vested termination benefits;
j. benefits in connection with the encouragement of home ownership;
k. benefits in connection with a divorce.

Article 23 Obligation to disclose information and to notify

1. The Employer, active, disabled and retired members and all beneficiaries must inform the Fund of any facts of importance to the Fund.

2. When requested, and particularly upon the occurrence of an insured event, a member or his beneficiaries must provide full and accurate information concerning the existence of other income.

3. The Fund reserves the right to suspend payment of benefits if a member or his beneficiaries fails to comply with the obligation to provide information and to notify.

Article 24 Payment of benefits

1. Fund benefits are payable as follows:
   a. pensions: monthly, at the end of each month. If the pension amount is insignificant, the Fund may replace the pension with a one-off payment calculated in accordance with the Fund’s actuarial tables;
   b. lump-sum payments: within 30 days of the due date, but not before the beneficiaries have been identified with certainty;
   c. vested termination benefits: as soon as all the information required to make the payment is known but no later than the last day of the employment relationship.

2. Default interest is payable as follows:
   a. in the case of pension payments, from the date of filing debt proceedings or the institution of legal proceedings. The interest rate is the minimum LPP/BVG rate;
   b. in the case of a lump-sum payment, from the date it becomes payable. The interest rate is the minimum LPP/BVG rate;
   c. in the case of payment of the vested termination benefit, thirty days from receipt of all required information, but not before the date on which the member leaves the Fund. The interest rate is the minimum LPP/BVG rate plus one per cent.

3. Benefits that are improperly received must be repaid. The Fund may claim retroactive repayment of extra-mandatory benefits regardless whether the beneficiary was in good faith or repayment could cause hardship.

4. Should the Fund be obligated to pay death and disability benefits after the vested termination benefit has been transferred to the new occupational benefits institution or vested benefits institution, it will claim reimbursement where this is necessary to cover payment of the death and disability benefits. Failure to reimburse the Fund will result in a commensurate reduction in benefits.

5. When the Fund, as the last known occupational benefits institution, has a temporary obligation to pay benefits, the entitlement is limited to the minimum LPP/BVG benefits. If it is later established with certainty that the Fund is not responsible for payment of benefits, it will claim reimbursement of the benefits it advanced.

6. The Fund may require a disabled member or the survivors of a deceased member to assign their rights against third parties liable for the disability or death, up to the amount of the benefits payable by the Fund, provided however that it is not subrogated to the rights of the member, his survivors and other beneficiaries designated pursuant to the LPP/BVG. It may suspend benefits pending such assignment.

7. If the AVS/AI//AHV/IV reduces, withdraws or denies benefits on the grounds that a member’s death or disability was caused by the negligence of the beneficiary, or if a member refuses AI/IV rehabilitation measures, the Pension Board may reduce Fund benefits, but by no more than the measures imposed by the AVS/AI//AHV/IV.

8. Benefit entitlements may be not assigned or pledged before they fall due, subject to pledges made in connection with the encouragement of home ownership. Entitlement to Fund benefits may only be set off against claims assigned to the Fund by the Employer if such claims relate to contributions that are not deducted from the salary.

9. The Fund will reduce the pension and lump-sum benefits payable by it if a claim is presented to a third party (institution, employer, etc.) for the same insured event in respect of a period of employment for the Nestlé Group.

10. Articles 35a(2) and 41 LPP/BVG concerning limitation periods apply.

Article 25 Excess benefits in case of death and disability

1. The Fund will reduce the disability and survivor’s benefits payable under these Regulations if, combined with the third-party benefits referred to in paragraph 2, they exceed 100% of the reference salary that the member would have earned had he continued working, plus any family allowances, subject to Article 38(2).

   If, after reaching normal AVS/AHV retirement age, a disabled member continues to receive benefits from the Accident Insurance, Military Insurance, or a foreign insurance providing similar benefits, the Fund will reduce its benefits if, combined with the third-party benefits referred to in paragraph 2, they exceed 100% of the reference salary that the member would have earned immediately prior to normal retirement age, plus any family allowances.

2. The following third-party benefits are taken into account:
   a. AVS/AHV and AI/IV benefits;
   b. Accident Insurance benefits;
   c. Military Insurance benefits;
   d. benefits from any insurance company or occupational benefits institution wholly or partly financed by the Employer;
   e. foreign social security benefits;
   f. benefits paid by vested benefits institutions and the Substitute Pension Plan;
   g. any salary paid by the Employer or indemnities in lieu of salary;
   h. income earned by a partially or totally disabled person or that which he could still earn from work that could reasonably be required of him, with the exception of supplementary income earned while undertaking an AI/IV rehabilitation measure.

3. Invalidity allowances and personal injury indemnities are not taken into account.

4. Benefits payable to the surviving spouse and orphans are cumulative.

5. If the Accident Insurance or Military Insurance reduces or refuses to grant benefits, the amount will not be compensated by the Fund pursuant to:
   a. Article 25 OPP2/BVV2 and
   b. Articles 20(2^{ter}) and (2^{quater}) LAA/UVG and 47(1) LAM/MVG (reaching retirement age).

   These provisions apply by analogy to foreign benefits.

6. For the purpose of calculating overinsurance, lump-sum benefits paid by third parties are converted into pensions in accordance with the Fund's actuarial tables.

7. If the Accident Insurance, Military Insurance or a foreign insurance paying similar benefits continues to pay a disability pension beyond the normal retirement date, the retirement pension payable by the Fund after that date is considered as a disability pension for the purposes of this Article.

8. If the Fund's benefits are reduced, they are all reduced in the same proportion.

9. The reduction is reviewed when there is a material change in the situation.

10. Any portion of the insured benefits not paid out vests in the Fund.

Article 26 Cost of living adjustment

1. Survivors', disability and retirement pensions may be adjusted to the cost of living, within the limits of the Fund's financial capabilities. Each year, the Pension Board decides if and to what extent pensions should be adjusted. Its decision together with reasons is published in the financial statements or the annual report.

2. Divorce pensions are not adjusted to the cost of living.

3. The minimum LPP/BVG provisions remain applicable.

Retirement benefits

Article 27 Entitlement to a retirement pension

1. Entitlement to a normal retirement pension begins on the first day of the month following:
   - the 64th birthday for women,
   - the 65th birthday for men,

   and terminates at the end of the month in which the beneficiary dies.

2. An active member whose employment terminates between his 58th birthday and the normal retirement date is accorded an early retirement pension; he may however apply for payment of his vested termination benefit only, in accordance with Articles 60 et seq., if he can show that he is gainfully employed as a principle occupation or has registered for unemployment benefits.

3. The Pension Board may set an age below 58 if the Employer undergoes restructuring.

Article 28 Pension amount

The annual retirement pension corresponds to the available retirement savings capital at the start of the pension payment, multiplied by the conversion factor corresponding to the member's age (calculated in years and months) at that date:

	Conversion rate	
Age	**Men**	**Women**
58	4.40%	4.70%
59	4.50%	4.80%
60	4.60%	4.90%
61	4.70%	5.05%
62	4.85%	5.20%
63	4.95%	5.35%
64	5.10%	5.50%
65	5.20%	5.65%
66	5.35%	5.80%
67	5.50%	6.00%
68	5.70%	6.25%

Article 29 Maintenance of insurance coverage after normal retirement age

1. A member who continues to be gainfully employed after normal retirement age may, with the Employer's consent, apply to remain a member, but not beyond the age of 68. The member's and the Employer's contributions are set out in Articles 20 and 21.

2. In the event of a reduction in the degree of employment, a member may request partial retirement in accordance with Article 30.

3. The annual retirement pension is calculated by converting the accrued retirement savings capital using the conversion factor corresponding to the member's age at the retirement date.

4. If a member dies during the maintenance period, for the purpose of calculating survivors' benefits, he is considered as retired from the first day of the month following his death, in accordance with Articles 39 to 52. A lump-sum death benefit is paid in accordance with Articles 53 to 56. No disability pension is payable;

in the case of incapacity for work, the retirement pension is payable from the date entitlement to a salary or to income replacement indemnities ends.

Article 30 Partial retirement

1. An active member, who has reached age 58 may, with the prior consent of the Employer, apply to receive a partial retirement pension if his degree of employment is reduced by at least 20%. The degree of retirement corresponds to the reduction in the degree of employment, subject to Article 27(3).

2. In case of partial retirement, the retirement savings capital is divided into two parts according to the degree of retirement:
   a. for the part corresponding to the degree of retirement, the member is considered a pensioner;
   b. for the other part, the member is considered an active member.

3. At each subsequent reduction of at least 20% in the degree of employment, the member may apply to receive a further partial retirement pension. Notwithstanding, retirement may be taken in no more than three stages, the third corresponding to full retirement.

Article 31 Lump-sum capital

1. Subject to Article 18(8), and provided he gives irrevocable instructions in writing, as a rule at least 3 months before the retirement date, an active member may apply to receive as a lump-sum payment:
   a. no more than 50% of his retirement savings capital for the portion equal to or less than CHF 1,000,000;
   b. b. up to 100% of his retirement savings capital for the portion exceeding CHF 1,000,0000:

   Payment in several instalments is not permitted.

2. Payment of the retirement savings capital proportionally extinguishes the entitlement to further Fund benefits.

3. In case of partial retirement, a member may apply to receive no more than two lump-sum payments.

4. A lump-sum payment may only be made with the written consent of the spouse.

Article 32 AVS/AHV bridge pension

1. In case of early retirement, a member may apply to receive an AVS/AHV bridge pension, which will be paid until the start of entitlement to a normal AVS/AHV retirement pension.

2. The bridge pension is an advance paid by the Fund. It is compensated through a reduction in the member's retirement savings capital. The amount is calculated in accordance with the reduction factors in Annexe IV.

3. If a member receiving an AVS/AHV bridge pension dies, no survivor pensions are payable on the bridge pension.

4. Members are free to set the amount of the annual bridge pension, but once made the decision is irrevocable. It may not, however, exceed the maximum full annual AVS/AHV retirement pension.

Temporary disability pension

Article 33 Recognition of disability

1. A member who is recognised as disabled by the AI/IV is also recognised as disabled by the Fund and to the same degree, provided however that he has been insured with the Fund since the onset of the incapacity for work, the cause of which led to his disability. The cases provided for in Article 23(b) and (c) LPP/BVG may apply.

2. After consulting its medical advisor, the Fund may also grant a temporary disability pension.

3. The Fund may appeal the decision of the AI/IV to the competent Court within 30 days of receipt of notice.

4. In case of early retirement, the member can no longer be recognised as disabled by the Fund, unless the entitlement to an AI/IV pension began prior to the retirement.

5. In the event of a change in the degree of disability under the AI/IV, the Fund adjusts the disability pension accordingly.

6. When the Fund has an obligation to pay benefits to a member suffering from a congenital disease or who became disabled before reaching majority, and who was insured with the Fund at the date of the increase in his earning incapacity, this entitlement is limited to the minimum LPP/BVG benefits.

Article 34 Entitlement to a temporary disability pension

1. Entitlement to a temporary disability pension from the Fund begins on the same day that entitlement to an AI/IV pension and ceases, subject to Article 38, at the member’s death or on the day that entitlement to the AI/IV pension ends, but not beyond the normal retirement date, at which time the member becomes entitled to a retirement pension under Articles 27 and 28.

2. No temporary disability pension is payable by the Fund as long as the member receives his salary or indemnities in lieu of salary, provided however that such indemnities amount to at least 80% of the salary and are financed at least 50% by the Employer.

3. The Fund allocates the following disability pensions:

AI/IV degree of disability	Degree of disability of the Fund
Less than 40%	0%
From 40%	same as the AI/IV degree of disability
From 70%	100%

4. A member receiving a partial disability pension from the Fund is considered as:
   a. a disabled member for the portion of his retirement savings capital multiplied by the percentage of the allocated partial disability pension; and
   b. an active member for the portion of his pensionable salary corresponding to the percentage of residual activity.

Article 35 Amount of the temporary disability pension

1. The full annual disability pension is equal to 65% of the pensionable salary at the start of the incapacity for work.

2. The temporary disability pension is equal to the full disability pension multiplied by the Fund's degree of disability.

Article 36 Capital option

1. If the disability occurs after the member's 58th birthday, the beneficiary of a disability pension may, before the first pension is paid, request to receive up to 50% of his pension as a lump-sum payment. The factors for converting a pension into a lump-sum benefit are set out in Annexe V.

2. The member's retirement savings capital, temporary disability pension and reversionary spouse's pension are reduced accordingly.

3. A lump-sum payment may only be made with the written consent of the spouse.

Article 37 Waiver of contributions

1. Entitlement to a contribution waiver begins and ends at the same time as entitlement to the temporary disability pension. In case of partial disability, the contribution waiver applies to the disability part of the pensionable salary.

2. While the contribution waiver is in effect, the contributions of a disabled member under the Standard plan and those of the Employer for that member are paid by the Fund. The personal contributions of the disabled member are added to his total personal contributions. The member's retirement savings capital is credited with retirement credits calculated in accordance with the Standard plan, based on the last pensionable salary before the onset of the earning incapacity and pro rata the Fund's degree of disability.

Article 38 Temporary coverage and entitlement to benefits

1. Insurance and entitlement to benefits are maintained:
   a. for a period of 3 years if the AI/IV pension is reduced or terminated because of a reduction in the degree of disability after the member undertakes rehabilitation measures, or because he returns to gainful employment or there is an increase in his degree of employment; or
   b. for as long as the member receives a transitional AI/IV benefit.

2. During the maintenance of insurance and benefits entitlement, the Fund may reduce its disability benefits up to the amount of the disability benefits corresponding to the member's reduced degree of disability, provided that the reduction in benefits is compensated by additional income earned by the member.

3. The final provision of the LAI/IVG amendment of 18 March 2011 may apply.

Spouse's pension

Article 39 Entitlement to a spouse's pension

1. In the event of the death of a married member, the surviving spouse is entitled to a spouse's pension.

2. Entitlement to a spouse's pension begins at the death of the member, but not before entitlement to the full salary ends. It expires at the end of the month in which the beneficiary dies or remarries. Article 41 may apply.

Article 40 Amount of the spouse's pension

1. The annual spouse's pension is equal to:
   a. if the deceased was an active member: 45% of the pensionable salary;
   b. if the deceased member was a disabled or retired member: 70% of the annual disability or retirement pension in payment at the date of his death.
   c. The transitional provisions of Annexe VII may apply.

2. If the surviving spouse is more than 10 years younger than the deceased member, the annual spouse's pension is reduced by 0.2% of its amount for each complete month exceeding the 10 years' age difference.

Article 41 Remarriage of the surviving spouse

1. If the surviving spouse remarries, the entitlement to a pension ceases at the end of the month of the remarriage and a one-off indemnity equal to 3 annual pensions is paid.
   The payment made to the surviving spouse in accordance with this Article extinguishes all entitlement to further Fund benefits.

Article 42 Marriage after normal retirement age

1. In the case of marriage after the normal retirement date, the spouse's pension is reduced as follows:

Years after normal retirement age	Reduction
1	20%
2	40%
3	60%
4	80%
5	100%

2. Notwithstanding, the minimum spouse's pension payable in accordance with the LPP/BVG remains guaranteed.

Article 43 Lump-sum option

If the member dies after his 58th birthday, the surviving spouse may, before the first pension is paid, request to receive up to 50% of his pension as a lump-sum payment. The factors for converting a pension into a lump-sum benefit are set out in Annexe VI. The spouse's pension is reduced accordingly.

Partner's pension

Article 44 Beneficiary

1. In the event of the death of an unmarried member, the surviving partner is entitled to a partner's pension if, at the date of the death, he had been designated by the deceased as the beneficiary of a partner's pension.

2. The member must designate his partner to the Fund during his lifetime on the appropriate form which is available on the Fund's website or may be obtained from the Fund administration.

3. For the purposes of these Regulations, a partner is deemed to be the person, of the same or opposite sex, who fulfils the following cumulative conditions:
   a. he is not married and has not concluded a registered partnership (with the member or any other person);
   b. there is no family relationship with the member, within the meaning of Sec. 95 of the Swiss Civil Code;
   c. he shared a common life with the member for an uninterrupted period of at least 5 years immediately prior to the member's death, or must contribute to the maintenance of one or more of the couple's children.

4. It is for the person asserting a claim from the Fund to prove that he fulfils the conditions of a partner. Means of proof include:
   - for the conditions in letters a – b: civil status certificates for both partners;
   - for a common life: residency certificate;
   - for a child of the couple: civil status certificate for the child;
   - for child maintenance: certificate from the competent authority.

5. The Fund may also require other forms of proof.

6. The surviving partner must claim his entitlement in writing from the Fund within 12 months of the member's death.

7. In any event, the Fund only pays one partner's pension.

Article 45 Entitlement to a partner's pension

Entitlement to a partner's pension begins at the member's death, but not before entitlement to the full salary ends. It expires at the end of the month in which the beneficiary dies, remarries or again lives with partner.

Article 46 Amount of the partner's pension

1. The annual partner's pension is equal to:
   a. if the deceased was an active member: 45% of the pensionable salary;
   b. if the deceased member was disabled or retired: 70% of the annual disability or retirement pension in payment at the date of his death.

2. If the surviving partner is already receiving a spouse's or partner's pension from the Fund or another occupational benefits institution in Switzerland or abroad, the Fund may reduce the partner's pension by the amount already received by the beneficiary. The transitional provisions of Annexe VII may apply.

3. If the surviving partner is more than 10 years younger than the deceased member, the annual partner's pension is reduced by 0.2% of its amount for each complete month exceeding the 10 years' age difference.

Article 47 Remarriage of the partner

If the surviving partner remarries or lives again with a partner, the entitlement to a pension ceases at the end of the month in which the either event occurs and a one-off indemnity equal to three annual pensions is paid.

Article 48 Notification after normal retirement age

If the member designates a new partner after normal retirement age, the partner's pension is reduced as follows:

Years after normal retirement age	Reduction
1	20%
2	40%
3	60%
4	80%
5	100%

Article 49 Lump-sum option

If the member dies after his 58th birthday, the surviving partner may, before the first pension is paid, request to receive up to 50% of his pension as a lump-sum payment. The factors for converting a pension into a lump-sum capital are set out in Annexe VI. The partner's pension is reduced accordingly.

Child's pension

Article 50 Beneficiaries

1. A member receiving a disability or retirement pension from the Fund is entitled to a child's pension for each of his children.

2. When a member dies, each of his children is entitled to a child's pension.

3. For the purposes of these Regulations, children are deemed to be children within the meaning of the Swiss Civil Code, as well as children in the member's care who are dependent on him (or were dependent on him at the time of death) to a significant extent, according to AVS/AHV.

Article 51 Entitlement to a child's pension

1. Entitlement to a child's pension begins on the same date as the payment of the disability or retirement pension, or at the member's death, but not before entitlement to the full salary ceases. It expires at the end of the month in which the child reaches the age of 18.

2. In the case of children who are considered to be in training under the AVS/AHV guidelines on pensions, or who are at least 70% disabled, entitlement to a child's pension expires upon termination of the course of study or the apprenticeship or the disability, but no later than the end of the month in which the child reaches the age of 25.

3. When a beneficiary of a child's pension dies, entitlement to the pension ceases at the end of the month of his death.

Article 52 Amount of the child's pension

1. For each child, the annual child's pension is equal to:
   a. in the case of an active member who becomes disabled: 10% of the pensionable salary but not more than CHF 12,000 per year. This pension is weighted by the Fund's degree of disability;
   b. for a new child of the beneficiary of a disability pension: 15% of the temporary disability pension in payment, but not more than CHF 12,000 a year (limit weighted by the Fund's degree of disability);
   c. if the deceased member was retired: 15% of the retirement pension in payment, but not more than CHF 12,000 a year (limit weighted by the member's degree of retirement);
   d. if the deceased was an active member: 10% of the pensionable salary;
   e. if the deceased member was disabled or retired: 15% of the pension in payment

2. The annual child's pension is doubled for children whose parents are both deceased.

Lump-sum death benefit

Article 53 With survivor benefits under Articles 39 or 45

1. If, following the death of an active member, the Fund is required to pay a spouse's pension pursuant to Article 39, a partner's pension pursuant to Article 45, or a dependent's pension pursuant to the transitional provisions in Annexe VII, the Fund grants the beneficiary of such a pension a lump-sum death benefit corresponding to the aggregate purchases, with interest, made by the member pursuant to Article 18, less the outstanding balance of any withdrawals, with interest, made under the encouragement of home ownership scheme or following a divorce. Moreover, the lump-sum death benefit is at least equal to the accrued retirement savings capital at the member's death, less the present value of the spouse's, partner's or dependent's pension.

Article 54 Without survivor benefits under Articles 39 or 45

1. If, at the death of an active member, no pension is payable to the surviving spouse pursuant to Article 39, to the surviving partner pursuant to Article 45, or to a dependent pursuant to the transitional provisions in Annexe VII, the deceased member's survivors are entitled to a lump-sum death benefit, irrespective of the law on the devolution of estates, in the following order:

A. a. children of the deceased member who are entitled to a child's pension;
   b. failing them: persons dependent on the deceased.
   Failing any beneficiaries in class A:
B. a. children not entitled to a child's pension;
   b. failing them: the parents;
   c. failing them: brothers and sisters.
   Failing any beneficiaries in class B:
C. other legal heirs, excluding public bodies.

2. In the case of several beneficiaries, distribution of the lump-sum death benefit shall be in equal shares.

3. A member may change the order of the beneficiaries within a class and/or stipulate entitlements to the lump-sum death benefit for each of the beneficiaries in a given class by designating the beneficiaries on the appropriate form available on the Fund's website or from the Fund administration. The order of the classes may not be changed.

4. If there are no instructions altering the order of the beneficiaries or the entitlements to the lump-sum death benefit, or if the instructions do not comply with the terms of paragraph 2, the general beneficiary clause in paragraph 1 shall apply.

5. Beneficiaries must claim their entitlement from the Fund no later than 12 months after the member's death. Shares of the lump-sum death benefit which cannot be paid out vest with the Fund.

Article 55 Amount of the lump-sum death benefit

1. The lump-sum death benefit is equal to the accrued retirement savings capital at the member's death.

2. For beneficiaries in class C, the lump-sum death benefit is equal to 50% of the available retirement capital, less all benefits already paid by the Fund.

Article 56 Amount of the one-off death allocation

At the death of an active member or the beneficiary of a retirement or a disability pension, a one-off payment of CHF 5,000 is payable to the surviving spouse or, if there is none, to the designated surviving partner or, if there is none, to the orphans or, if there are none, to the estate of the deceased member.

Benefits in the event of divorce

Article 57 Divorced spouse's pension

1. At the death of a divorced member, his surviving divorced spouse shall be entitled to a divorced spouse's pension if:
   a. he is granted a pension upon divorce pursuant to Sections 124e(1) or 126(1) CC.;
   b. the marriage lasted at least 10 years.

2. Entitlement to a divorced spouse's pension begins on the first day of the month following the member's death, but not before the entitlement to the full salary terminates. It terminates at the end of the month in which the beneficiary dies or remarries, but at the latest when the entitlement to a pension would have ended under the divorce decree.

3. The divorced spouse’s pension is reduced by the amount by which, combined with the AVS/AHV survivor's pension, it exceeds the pension awarded under the divorce decree. AVS/AHV survivor pensions will only be taken into account in the calculation if they are higher than an own entitlement to an AI/IV disability pension or AVS/AHV retirement pension.

4. Payment of a divorced spouse’s pension will not affect the entitlement of the deceased member’s surviving spouse.

Article 58 Procedure in case of divorce

1. The Fund only executes final divorce judgments (decrees absolute) delivered by Swiss courts. In any event it will pay the minimum statutory benefits in accordance with the LPP/BVG and LFLP/FZG.

2. If an active member is liable under a pension-sharing order, the Fund will reduce his benefits as follows:
   a. the regulatory retirement savings capital is reduced by the amount set by the court, resulting in a reduction in all the member's accounts and benefits deriving from it, in particular, the lump-sum capital and retirement pension. The LPP/BVG retirement savings capital is also reduced proportionately.
   b. if a member retires before the end of the divorce proceedings, the Fund will reduce the pension-sharing settlement by the amount of the excess benefits paid; the claims of the spouses will be reduced equally.

3. If a disabled member is liable under a pension-sharing order, the Fund will reduce his benefits as follows:
   a. the regulatory retirement savings capital is reduced by the amount set by the court, resulting in a reduction of all pension benefits based on the regulatory retirement savings capital. All the member’s other individual accounts are reduced pro rata (minimum LPP/BVG retirement savings, entry transfers of vested termination benefits, purchases, and savings contributions);
   b. Pension-sharing settlements do not affect disability benefits (disability pensions in payment, contribution waivers, and disabled members’ child’s pensions).
   c. if a disability pension is reduced on grounds of excess insurance, the regulatory retirement savings capital may only be reduced if and to the extent that the disability pension would have been reduced in the absence of a child’s pension.

4. When a retired member (including former disability pensioners) is liable under a pension-sharing order, the Fund will reduce his regulatory benefits as follows:
   a. the retirement pension in payment is reduced by the amount set by the court; the Fund converts the beneficiary spouse’s portion of the retirement pension into a lifelong pension (divorce pension) in accordance with Article 19h OLP/FZV;
   b. the reduction in the retirement pension will not affect any retired member’s child’s pensions in payment at the pension-sharing date or any reversionary orphan's pensions deriving from them. However, retired member’s child’s pensions and orphan’s pensions vesting after the pension-sharing date are calculated on the reduced retirement pension.

5. Active and disabled members whose retirement savings capital has been reduced following a divorce may enhance their retirement savings capital at any time through personal purchases. In that case, the purchase restrictions in Article 18 do not apply. Such purchases may not, however, exceed the amount transferred in connection with the divorce. Retired members may not make purchases to compensate a reduction in their pension subsequent to a divorce.

6. The pension-sharing benefit (lump sum or divorce pension) is paid to the occupational benefits institution of the beneficiary spouse or, if he has none, to a vested benefits institution. However:
   a. From age 58, the pension-sharing benefit will be paid directly to the beneficiary spouse at his request.
   b. From age 64 (women) or 65 (men), the pension-sharing benefit will be paid directly to the beneficiary spouse, unless he asks for it to be transferred to his occupational benefits institution and the latter accepts such a purchase.
   c. At the request of the beneficiary spouse, instead of the pension transfer, the Fund may transfer a one-off lump sum corresponding to the lifelong pension defined in Article 19h OLP/FZV.

7. If an active or disabled member is the beneficiary of a pension-sharing benefit (lump-sum or pension), the Fund will use the assets received in the same way as an entry transfer of vested benefits. The relevant regulatory provisions shall apply by analogy. The minimum LPP/BVG retirement savings capital is increased if and to the extent that the Pension Fund receives such benefits. If a retired member is the beneficiary of a pension-sharing benefit, the corresponding amounts will be paid to him directly and will not affect benefits under these Regulations.

8. In the case of a divorce, the Fund will provide the member or the court, on request, with the information stipulated in Article 24 LFLP/FZG and Article 19k OLP/FZV.

9. At the request of the member or the court, the Fund will examine a pension-sharing proposal and give its written opinion (feasibility statement).

Vested termination benefit

Article 59 Termination of employment before 1 January following the 24th birthday

1. A member whose employment terminates before 1 January following his 24th birthday is not entitled to a vested termination benefit.

2. If a member has transferred in a vested termination benefit before 1 January following his 24th birthday, this transfer entitles him to a vested termination benefit.

Article 60 Entitlement to a vested termination benefit

1. A member whose employment terminates before his 58th birthday for reasons other than death or disability, loses his member status and is accorded a vested termination benefit. The provisions of Article 27(3) may apply.

2. A member whose employment terminates after his 58th birthday for reasons other than death or disability may apply for payment of a vested termination benefit, if he can show that he is gainfully employed as a principle occupation or has registered for unemployment benefits.

3. A member whose AI/IV pension is reduced or terminated because of a reduction in his degree of disability is entitled to a vested termination benefit at the end of the temporary maintenance of insurance and entitlement to benefits defined in Article 38.

4. The vested termination benefit is payable when the employment relationship ends. After that date, it earns interest at the minimum LPP/BVG rate. If the Fund does not transfer these benefits within 30 days of receipt of all the necessary information, default interest shall accrue as of that time.

Article 61 Amount of the vested termination benefit

1. The vested termination benefit is equal to the member's total retirement savings capital accrued on the day the employment relationship ends, plus the assets available in the early retirement account.

2. The vested termination benefit is at least equal to the minimum amount under Article 17 LFLP/FZG, namely, the sum of any purchases (vested termination benefits and personal purchases) with interest at the minimum LPP/BVG rate, plus the member's contributions without interest, increased by 4% per year over age 20, up to a maximum of 100%. This amount includes assets available in the early retirement account.

Article 62 Transfer of the vested termination benefit

1. The Employer must notify the Fund without delay in the event of the termination of employment, indicating whether it was due to health reasons.

2. The Fund will prepare a vested termination benefit statement for the member and the new occupational benefits institution. The statement shows the termination payment, the minimum LPP/BVG amount, the purchases made during the previous three years, the amount of the retirement savings capital at the time of marriage or the registration of a civil partnership and at age 50, as well as details relating any acquisition of property under the encouragement of home ownership scheme.

3. The Fund will inform the member of the amount of his vested termination benefit, and ask him to provide instructions for its transfer.

4. If the member begins work with a new employer, his vested termination benefit is transferred to the new employer's occupational benefits institution in accordance with the instructions given to the Fund.

5. If the member does not start work with a new employer, he may choose between purchasing a vested benefits policy or opening a vested benefits account.

6. If the member fails to provide adequate instructions for the transfer of his vested termination benefit, the Fund will automatically transfer it to the Substitute Pension Plan six months after the end of the employment relationship.

Article 63 Cash Payment

1. Subject to Article 18(8), and provided it is permitted under the applicable international agreements, a member may apply for his vested termination benefit to be paid in cash if:
   a. he leaves the Switzerland-Liechtenstein economic area permanently, subject to restrictions imposed by international agreements;
   b. he becomes self-employed and is no longer subject to compulsory occupational benefits insurance;
   c. the vested termination benefit is less than the member's annual contribution in effect at the date of termination of employment.

2. If the member leaves to settle in one of the States of the European Union or EFTA and if he continues to be subject to compulsory insurance against the risks of retirement, death and disability in that State, the minimum LPP/BVG part of his vested termination benefit cannot be paid in cash.

3. A cash payment may only be made with the written consent of the spouse.

4. The Pension Board may request any proof it deems necessary and delay payment pending receipt of such proof.

5. The payment of the vested termination benefit releases the Fund from all obligations towards the member and his survivors. Death and disability risk coverage is maintained until the start of the member’s new employment contract, but for no longer than one month. If the Fund is subsequently required to pay disability or survivor benefits, it may deduct the termination benefit which was transferred and not repaid.

Encouragement of home ownership

Article 64 Withdrawals

1. Subject to Article 18(8), an active member may apply to withdraw his pension assets to finance the purchase of his own home. Withdrawals may be made up to three years prior to normal retirement age. A member must submit valid documents in support of his application.

2. The pension assets may be used to acquire or build a residential property, to purchase co-ownership in residential property, or to repay a mortgage.

3. A withdrawal may only be made with the written consent of the spouse.

4. The full amount of the vested termination benefit may be withdrawn up to age 50. After that time, only half of the vested termination benefit may be withdrawn, but at least the amount of the vested termination benefit to which the member was entitled at age 50.

5. The minimum withdrawal is CHF 20,000. An application for withdrawal may only be made once every five years.

6. Once the conditions for withdrawal are fulfilled, the Fund has six months within which to make the payment. If and for as long as the Fund is underfunded, within the meaning of the LPP/BVG, it may restrict the duration or amount of withdrawals, or refuse them altogether if the withdrawal is to be used to repay mortgage loans. In that event, the Fund must write to the member affected by the refusal or restriction informing him of the extent and duration of the measure.

7. The withdrawal is deducted first from the early retirement account, then from the member’s retirement savings capital; this will reduce all the benefits calculated on the basis of these accounts. The minimum LPP/BVG retirement savings capital is reduced pro rata.

8. A member may at any time repay the amount withdrawn to finance the acquisition of his own home, but no less than CHF 10,000 at a time except for the last instalment, and no later than three years before normal retirement age, provided that he is not receiving early retirement benefits from the Fund, or until the occurrence of another insured event, or cash payment of the vested termination benefit.

9. A member must repay the amount withdrawn to finance the purchase of his own home if the home is sold, or if rights that are economically equivalent to a sale are granted on the property. Heirs must repay the amount withdrawn if no benefits are payable by the Fund at the member’s death.

10. The amount repaid is allocated to repurchasing benefits (Article 18). The minimum LPP/BVG retirement savings capital is increased in the same proportions as at the time of the withdrawal.

11. Withdrawals are taxable as pension capital. If a withdrawal is repaid, a taxpayer may apply for a refund of the taxes paid on the withdrawal, pro rata to the amount repaid. Such repayments are not deductible from taxable income.

12. The provisions of federal law on the encouragement of home ownership also apply.

Article 65 Pledge

1. An active member may, up to three years before normal retirement age, pledge his pension assets and/or entitlement to his pension benefits to finance the purchase of his own home.

2. Pension assets may be used to acquire or build a residential property or to acquire co-ownership in a residential property.

3. A pledge may only be made with the written consent of the spouse.

4. The full amount of the vested termination benefit may be pledged up to age 50. After that time, only half of the vested termination benefit may be pledged, but at least the amount of the vested termination benefit to which the member was entitled at age 50.

5. To be valid, the Fund must be notified in writing of the pledge.

6. The consent of the mortgagee is required for any cash payment (Article 64), payment of pension benefits, and payment in connection with a divorce.

7. In the event of enforcement of the lien, the provisions concerning withdrawals apply by analogy.

8. The provisions of federal law on the encouragement of home ownership also apply.

Early Retirement Account

Article 66 Creation of an early retirement account

1. Subject to the provisions of Article 18, every active member may create an additional savings account to finance, at his option:
   a. reductions in benefits in case of early retirement;
   b. the AVS/AHV bridge pension described in Article 32.

   The early retirement account is funded by the member’s purchases, surplus vested termination benefits, and any allocations. It earns interest at the rate set by the Pension Board.

2. Purchases made by the member may only be credited to the early retirement account if the member has purchased and/or repaid the maximum permissible benefits under Article 18, and has filed the required declaration concerning the purchase on the relevant form, available on the Fund’s website or from the Fund administration, indicating at which age he intends to take early retirement.

3. The member's personal purchases for the early retirement account cannot exceed the difference between the maximum permissible notional amount of the early retirement account and the amount accrued in the early retirement account at the purchase date. If the calculation under Article 18 produces a negative result (retirement savings capital exceeding the maximum permissible retirement savings capital), the maximum early retirement purchase allowance is reduced by the surplus.

4. The maximum permissible early retirement account is equal to the sum of the following amounts:
   a. the cost of funding the difference between the retirement pension at normal retirement age and the early retirement pension at age 58 (Annexe III), taking into account the transitional provisions in Annexe VII;
   b. the cost of funding the maximum AVS/AHV bridge pension at age 58 (Annex IV).

5. For members who have reached early retirement age, the maximum amount is computed on the basis of immediate retirement.

6. If a withdrawal is made following a divorce or under the encouragement of home ownership scheme, the early retirement account is used first, before the member’s retirement savings capital. Any subsequent repayments will be allocated first towards increasing the retirement savings capital.

Article 67 Payment of the early retirement account

1. The early retirement account is payable in case of retirement, full disability, death or leaving the Fund. The accrued amount is payable in addition to the other benefits defined in these Regulations.

2. The early retirement account is paid as follows:
   a. in case of retirement: to the member, at his option, either in the form of an increase in his retirement pension and/or his AVS/AHV bridge pension, or in the form of a lump sum;
   b. in case of full disability: to the member in the form of a lump sum;
   c. in case of death: to the beneficiaries of the lump-sum death benefit under Article 54, in the form of a lump sum;
   d. in case of leaving the Fund: in favour of the member, in accordance with Arts. 60 et seq.

3. If the member defers his early retirement, the benefits paid cannot, in any event, exceed the legal limit of 105% of the retirement pension calculated at the normal retirement age (AVS/AHV bridge pension payments are not included in the 105% limit). The surplus retirement benefits, if any, will vest with the Fund.

4. In the case of married members, the spouse's written consent is required for all lump-sum payments.

Final Provisions

Article 68 Information for members

1. Each member receives an insurance certificate at the time of joining the Fund, whenever there is a change in his insurance conditions and in the event of marriage, but in any case at least once a year.

2. The insurance certificate contains information about the member's individual insurance conditions, particularly the following amounts: insured benefits, pensionable salary, contributions, and vested termination benefits. In case of discrepancy between the insurance certificate and these Regulations, the latter will take precedence.

3. At least once a year, the Fund informs all members, in whatever form it deems appropriate, about the Fund's organisation and funding, and the composition of the Pension Board.

4. Upon request, the Fund sends members a copy of the annual report and financial statements and informs them about the return on capital, the trend in actuarial risk, administration costs, principles for calculating liabilities, additional provisions and funded status.

Article 69 Measures in case of underfunding

1. In case of underfunding within the meaning of Article 44 OPP2/BVV2, the Pension Board, in consultation with the pension actuary, shall take adequate measures to eliminate the underfunding. Among such measures, the Pension Board may discontinue payment of interest on pension assets, limit withdrawals for home ownership, levy a recovery plan contribution in accordance with paragraph 2, or adjust future benefits, subject to the proportionality principle.

2. The Fund may, subject to the principles of proportionality and subsidiarity, levy recovery plan contributions from the members, the Employer and pension beneficiaries, for the purpose of eliminating the underfunding. The Employer's contribution must be equal to or greater than the sum of the members' contributions. A contribution from pension beneficiaries may only be levied on that part of the pension which, in the ten years preceding introduction of the measure, does not result from increases required by law or the regulations and does not concern the minimum LPP/BVG benefits. The pension set at the start of pension entitlement is guaranteed. The contributions of pension beneficiaries are deducted from pensions in payment.
   The contribution to the recovery plan is not taken into account when calculating the minimum vested termination benefit and lump sum payable at death.

3. If the measures described in paragraph 1 are insufficient, and as long as the underfunding subsists, but for no more than 5 years, the Fund may decide to apply interest at a lower rate than the minimum LPP/BVG rate. The reduction may not exceed 0.5%.

4. In case of underfunding, the Employer may pay contributions to a separate "employer contribution reserve with renounced use" and also transfer assets to that account from the ordinary employer contribution reserves. The Employer and the Fund shall conclude an agreement for this purpose. The contributions may not be greater than the amount of the underfunding and will not earn interest. The employer contribution reserves with a declaration of renounced use shall be maintained as long as the underfunding continues.

5. If underfunding exists, within the meaning of Article 44 OPP2/BVV2, the Pension Board shall inform the Regulatory Authority, the Employer, the members and pensioners about the underfunding and the recovery plan implemented in consultation with the pension actuary.

Article 70 Amendment of the Regulations

The Pension Board may amend these Regulations and its annexes at any time.

Article 71 Interpretation

Any cases not expressly provided for in these Regulations shall be decided by the Pension Board, which shall take account of the meaning and spirit of the Fund Charter and Regulations, and statutory provisions on occupational retirement, survivors', and disability pension plans.

Article 72 Disputes

Any disputes arising from or in connection with the interpretation, application or non-application of these Regulations shall be submitted to the competent courts of the Swiss registered office or place of residence of the defendant, or of the place of business in Switzerland where the member was employed.

Article 73 End of employer status

1. If an employer ceases to be a legal entity with economic or financial ties to Nestlé S.A., the employees of that employer no longer qualify as members of the Fund, subject to any special provisions agreed with the Pension Board.

2. The implementing provisions are covered by separate regulations on partial liquidation, which will be sent to members on request.

Article 74 Versions

1. These Regulations were drawn up in French; they may be translated into other languages.

2. In the event of a discrepancy between the French-language version and any translation, the French version will take precedence.

Article 75 Effective date

1. These Regulations will enter into effect on 1 July 2018.

2. They supersede and replace the Regulations which entered into effect on 1 July 2013.

3. They are subject to the competent Regulatory Authority.

4. They are published on the Fund's website and a hard copy will be sent to members on request.

Annexes

Annexe I

Threshold

The threshold is equal to the LPP/BVG threshold.

Annexe II

Maximum notional retirement savings capital (Article 18)

The maximum notional retirement savings capital is expressed as a percentage of the pensionable salary taking into account the member's age:

Basic Plan

Men

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	0.0%	36	174.6%	47	450.3%	58	882.5%
26	14.0%	37	196.1%	48	484.3%	59	931.2%
27	28.3%	38	218.0%	49	519.0%	60	980.8%
28	42.9%	39	240.4%	50	554.4%	61	1031.4%
29	57.8%	40	263.2%	51	590.5%	62	1083.0%
30	73.0%	41	286.5%	52	627.3%	63	1,135.7%
31	88.5%	42	310.2%	53	664.8%	64	1,189.4%
32	104.3%	43	334.4%	54	703.1%	65	1,244.2%
33	120.4%	44	359.1%	55	742.2%	66	1,244.2%
34	136.8%	45	384.3%	56	788.0%	67	1,244.2%
35	153.5%	46	417.0%	57	834.8%	68	1,244.2%

Women

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	0.0%	36	174.6%	47	450.3%	58	882.5%
26	14.0%	37	196.1%	48	484.3%	59	931.2%
27	28.3%	38	218.0%	49	519.0%	60	980.8%
28	42.9%	39	240.4%	50	554.4%	61	1,031.4%
29	57.8%	40	263.2%	51	590.5%	62	1,083.0%
30	73.0%	41	286.5%	52	627.3%	63	1,135.7%
31	88.5%	42	310.2%	53	664.8%	64	1,189.4%
32	104.3%	43	334.4%	54	703.1%	65	1,189.4%
33	120.4%	44	359.1%	55	742.2%	66	1,189.4%
34	136.8%	45	384.3%	56	788.0%	67	1,189.4%
35	153.5%	46	417.0%	57	834.8%	68	1,189.4%

Standard Plan

Men

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	0.0%	36	234.4%	47	571.5%	58	1,066.5%
26	19.0%	37	261.1%	48	610.9%	59	1,120.8%
27	38.4%	38	288.3%	49	651.1%	60	1,176.2%
28	58.2%	39	316.1%	50	692.1%	61	1,232.7%
29	78.4%	40	344.4%	51	733.9%	62	1,290.4%
30	99.0%	41	373.3%	52	776.6%	63	1,349.2%
31	120.0%	42	402.8%	53	820.1%	64	1,409.2%
32	141.4%	43	432.9%	54	864.5%	65	1,470.4%
33	163.2%	44	463.6%	55	909.8%	66	1,470.4%
34	185.5%	45	494.9%	56	961.0%	67	1,470.4%
35	208.2%	46	532.8%	57	1,013.2%	68	1,470.4%

Women

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	0.0%	36	234.4%	47	571.5%	58	1,066.5%
26	19.0%	37	261.1%	48	610.9%	59	1,120.8%
27	38.4%	38	288.3%	49	651.1%	60	1,176.2%
28	58.2%	39	316.1%	50	692.1%	61	1,232.7%
29	78.4%	40	344.4%	51	733.9%	62	1,290.4%
30	99.0%	41	373.3%	52	776.6%	63	1,349.2%
31	120.0%	42	402.8%	53	820.1%	64	1,409.2%
32	141.4%	43	432.9%	54	864.5%	65	1,409.2%
33	163.2%	44	463.6%	55	909.8%	66	1,409.2%
34	185.5%	45	494.9%	56	961.0%	67	1,409.2%
35	208.2%	46	532.8%	57	1,013.2%	68	1,409.2%

Top Plan

Men

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	0.0%	36	271.7%	47	668.4%	58	1,251.0%
26	22.0%	37	303.1%	48	714.8%	59	1,315.0%
27	44.4%	38	335.2%	49	762.1%	60	1,380.3%
28	67.3%	39	367.9%	50	810.3%	61	1,446.9%
29	90.6%	40	401.3%	51	859.5%	62	1,514.8%
30	114.4%	41	435.3%	52	909.7%	63	1,584.1%
31	138.7%	42	470.0%	53	960.9%	64	1,654.8%
32	163.5%	43	505.4%	54	1,013.1%	65	1,726.9%
33	188.8%	44	541.5%	55	1,066.4%	66	1,726.9%
34	214.6%	45	578.3%	56	1,126.7%	67	1,726.9%
35	240.9%	46	622.9%	57	1,188.2%	68	1,726.9%

Women

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	0.0%	36	271.7%	47	668.4%	58	1,251.0%
26	22.0%	37	303.1%	48	714.8%	59	1,315.0%
27	44.4%	38	335.2%	49	762.1%	60	1,380.3%
28	67.3%	39	367.9%	50	810.3%	61	1,446.9%
29	90.6%	40	401.3%	51	859.5%	62	1,514.8%
30	114.4%	41	435.3%	52	909.7%	63	1,584.1%
31	138.7%	42	470.0%	53	960.9%	64	1,654.8%
32	163.5%	43	505.4%	54	1,013.1%	65	1,654.8%
33	188.8%	44	541.5%	55	1,066.4%	66	1,654.8%
34	214.6%	45	578.3%	56	1,126.7%	67	1,654.8%
35	240.9%	46	622.9%	57	1,188.2%	68	1,654.8%

Example:

Active member, age 40, Standard Plan.

Pensionable salary: CHF 70,000. Retirement savings capital: CHF 150,000.

Maximum notional retirement savings capital: 344.4% x CHF 70,000 = 241,080.

Maximum purchase allowance: CHF 241,080 – CHF 150,000 = **CHF 91,080.**

Annexe III

Funding early retirement (Article 66)

The maximum purchase allowance for reductions in case of early retirement is expressed as a percentage of the pensionable salary taking into account the member's age:

Basic Plan

Men

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	359.6%	36	423.7%	47	499.1%	58	587.9%
26	365.0%	37	430.1%	48	506.6%	59	506.5%
27	370.5%	38	436.6%	49	514.2%	60	425.7%
28	376.1%	39	443.1%	50	521.9%	61	345.2%
29	381.7%	40	449.7%	51	529.7%	62	251.0%
30	387.4%	41	456.4%	52	537.6%	63	171.3%
31	393.2%	42	463.2%	53	545.7%	64	79.2%
32	399.1%	43	470.1%	54	553.9%	65	0.0%
33	405.1%	44	477.2%	55	562.2%		
34	411.2%	45	484.4%	56	570.6%		
35	417.4%	46	491.7%	57	579.2%		

Women

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	311.7%	36	367.1%	47	432.4%	58	509.4%
26	316.4%	37	372.6%	48	438.9%	59	431.7%
27	321.1%	38	378.2%	49	445.5%	60	354.2%
28	325.9%	39	383.9%	50	452.2%	61	264.0%
29	330.8%	40	389.7%	51	459.0%	62	175.0%
30	335.8%	41	395.5%	52	465.9%	63	87.0%
31	340.8%	42	401.4%	53	472.9%	64	0.0%
32	345.9%	43	407.4%	54	480.0%		
33	351.1%	44	413.5%	55	487.2%		
34	356.4%	45	419.7%	56	494.5%		
35	361.7%	46	426.0%	57	501.9%		

Standard Plan

Men

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	410.8%	36	483.7%	47	569.9%	58	671.2%
26	417.0%	37	491.0%	48	578.4%	59	578.3%
27	423.3%	38	498.4%	49	587.1%	60	486.0%
28	429.7%	39	505.9%	50	595.9%	61	394.1%
29	436.1%	40	513.5%	51	604.8%	62	286.1%
30	442.6%	41	521.2%	52	613.9%	63	195.5%
31	449.2%	42	529.0%	53	623.1%	64	90.0%
32	455.9%	43	536.9%	54	632.4%	65	0.0%
33	462.7%	44	545.0%	55	641.9%		
34	469.6%	45	553.2%	56	651.5%		
35	476.6%	46	561.5%	57	661.3%		

Women

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	356.5%	36	419.8%	47	494.6%	58	582.6%
26	361.8%	37	426.1%	48	502.0%	59	493.9%
27	367.2%	38	432.5%	49	509.5%	60	405.6%
28	372.7%	39	439.0%	50	517.1%	61	302.1%
29	378.3%	40	445.6%	51	524.9%	62	200.1%
30	384.0%	41	452.3%	52	532.8%	63	99.5%
31	389.8%	42	459.1%	53	540.8%	64	0.0%
32	395.6%	43	466.0%	54	548.9%		
33	401.5%	44	473.0%	55	557.1%		
34	407.5%	45	480.1%	56	565.5%		
35	413.6%	46	487.3%	57	574.0%		

Top Plan

Men

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	483.2%	36	569.2%	47	670.5%	58	789.9%
26	490.4%	37	577.7%	48	680.6%	59	680.5%
27	497.8%	38	586.4%	49	690.8%	60	571.8%
28	505.3%	39	595.2%	50	701.2%	61	463.7%
29	512.9%	40	604.1%	51	711.7%	62	336.7%
30	520.6%	41	613.2%	52	722.4%	63	230.0%
31	528.4%	42	622.4%	53	733.2%	64	106.0%
32	536.3%	43	631.7%	54	744.2%	65	0.0%
33	544.3%	44	641.2%	55	755.4%		
34	552.5%	45	650.8%	56	766.7%		
35	560.8%	46	660.6%	57	778.2%		

Women

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	419.4%	36	494.2%	47	582.0%	58	685.5%
26	425.7%	37	501.6%	48	590.7%	59	581.1%
27	432.1%	38	509.1%	49	599.6%	60	477.1%
28	438.6%	39	516.7%	50	608.6%	61	355.4%
29	445.2%	40	524.4%	51	617.7%	62	235.5%
30	451.9%	41	532.3%	52	627.0%	63	117.1%
31	458.7%	42	540.3%	53	636.4%	64	0.0%
32	465.6%	43	548.4%	54	645.9%		
33	472.6%	44	556.6%	55	655.6%		
34	479.7%	45	564.9%	56	665.4%		
35	486.9%	46	573.4%	57	675.4%		

Example:

Active member, age 40, Standard Plan.
Pensionable salary: CHF 70,000. Early retirement account: CHF 75,000.
Maximum notional early retirement account: 513.5% x CHF 70,000 = CHF 359,450.
Maximum purchase allowance for early retirement: CHF 359,450 – CHF 75,000 = **CHF 284,450.**

Annexe IV

Funding an AVS/AHV bridge pension (Article 66)

The maximum purchase allowance for funding an AVS/AHV bridge pension equals, for each CHF 1,000 of AVS/AHV bridge pension (in CHF):

Men

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	3,904	36	4,599	47	5,417	58	6,381
26	3,963	37	4,668	48	5,498	59	5,536
27	4,022	38	4,738	49	5,581	60	4,671
28	4,082	39	4,809	50	5,664	61	3,785
29	4,144	40	4,881	51	5,749	62	2,877
30	4,206	41	4,954	52	5,836	63	1,945
31	4,269	42	5,028	53	5,923	64	986
32	4,333	43	5,104	54	6,012	65	0
33	4,398	44	5,180	55	6,102		
34	4,464	45	5,258	56	6,194		
35	4,531	46	5,337	57	6,287		

Women

Age	Factor	Age	Factor	Age	Factor	Age	Factor
25	3,408	36	4,014	47	4,728	58	5,570
26	3,459	37	4,074	48	4,799	59	4,697
27	3,511	38	4,135	49	4,871	60	3,804
28	3,563	39	4,197	50	4,944	61	2,889
29	3,617	40	4,260	51	5,019	62	1,950
30	3,671	41	4,324	52	5,094	63	988
31	3,726	42	4,389	53	5,170	64	0
32	3,782	43	4,455	54	5,248		
33	3,839	44	4,522	55	5,327		
34	3,896	45	4,590	56	5,406		
35	3,955	46	4,659	57	5,488		

Example:
Active member, age 40.
Chosen AVS/AHV bridge pension: CHF 28,000. No early retirement account.
Maximum notional savings capital for AVS/AHV bridge pension: 4,881 x 28 = CHF 136,668.
Maximum purchase allowance for AVS/AHV bridge pension: CHF 136,668 – CHF 0 = **CHF 136,668**.

Annexe V

Conversion of a temporary disability pension into lump-sum capital (Article 36)

Conversion factor
Temporary disability pension

Age	Men	Women
58	7.585	5.835
59	6.665	4.943
60	5.699	4.021
61	4.680	3.068
62	3.604	2.082
63	2.467	1.060
64	1.267	0.000
65	0.000	

Conversion factor
Savings contribution waiver

Age	Men	Women
58	1.994	1.782
59	1.739	1.510
60	1.476	1.229
61	1.205	0.938
62	0.923	0.637
63	0.630	0.324
64	0.323	0.000
65	0.000	

Example:

Disabled man, age 60.

Pensionable salary: CHF 70,000. Retirement savings capital: CHF 500,000.

Temporary disability pension: CHF 32,500.

Conversion of 50% of his pension: 50% x CHF 32,500 x 5.699 = CHF 92,609.

Conversion of 50% of his savings contribution waiver: 50% x 50,000 x 1.476 = CHF 36,900.

Conversion of 50% of his retirement savings capital: 50% x CHF 500,000 = CHF 250,000.

Total lump-sum capital paid to the member: CHF 92,609 + CHF 36,900 + CHF 250,000 = CHF 379,509.

Remaining temporary disability pension: 50% x 32,500 = CHF 16,250.

Annexe VI

Conversion of a spouse's or partner's pension into a lump-sum capital (Articles 43 and 49)

Conversion factor
Spouse's pension
Partner's pension

Age	Men	Women
58	19.488	20.859
59	18.991	20.387
60	18.490	19.909
61	17.987	19.425
62	17.480	18.935
63	16.971	18.440
64	16.459	17.938
65	15.944	17.431
66	15.424	16.917
67	14.900	16.397
68	14.373	15.871

Example:

Surviving spouse, age 59.

Spouse's pension: CHF 25,000.

Conversion of 30% of his pension: 30% x CHF 25,000 x 20.387 = CHF 152,903.

Remaining spouse's pension: 70% x 25,000 = CHF 17,500.

Annexe VII

Transitional provisions

1. **Dependent's insurance under 1992 Regulations**
   The dependent's pension is maintained in accordance with the 1992 Regulations for members who complied with the notification procedure.

2. **Divorce under 1995 Regulations**
   For members who opted to maintain death benefit coverage in favour of their divorced spouse pursuant to Article 9 of the 1995 Regulations, the pension allocated to the divorced spouse is deducted from the survivor's coverage of the new spouse or partner; the latter pension cannot, however, be less than the minimum LPP/BVG benefits. This deduction is cancelled if the divorced spouse dies or remarries before the start of the entitlement to the pension.

3. **Members granted a retirement or disability pension before 1 January 2011**
   If a member who was granted a retirement or disability pension before 1 January 2011 dies, the spouse's pension pursuant to Article 40 of these Regulations equals 60% of the pension in payment.
   For members who opted for an enhanced spouse's pension under Article 9 of the 2010 Regulations, the chosen option remains valid when the pension falls due.

4. **Active members on 30 June 2013 who were born in or before 1958**
   Active members on 30 June 2013 who were born in or before 1958 remain members of the plan effective at 30 June 2013, which is governed by the "pension objective plan" effective at 1 January 2013 and its addendum, which entered into effect on 1 July 2018.

5. **One-off credit allocated to active member's retirement savings capital**
   a. Circle of beneficiaries
   Active members born in or after 1959 and who are insured with the Fund on 30 June 2013 are allocated a one-off credit on their retirement savings capital to ensure that their insured retirement pension on 1 July 2013 is at least equal to that insured on 30 June 2013, based on a projection interest rate of 1.5% and the reference salary valid on 30 June 2013.
   Members whose insured retirement pension is higher on 1 July 2013 than on 30 June 2013 are not entitled to the one-off credit on 1 July 2013.

   b. Applicable types of deductions
   In case of an insured event (retirement, disability, death or leaving the Fund), the present value of benefits accrued in Switzerland and abroad during the years of service for the Group before 1 July 2013 are deducted from the benefits paid by the Fund. The reduction is limited, however, to the amount of the one-off credit, with interest, on the date the benefits are paid. The following benefits received are taken into account (non-exhaustive list):
   - Social insurance benefits;
   - Benefits from local pension funds and similar occupational benefit institutions abroad;
   - Severance payments. This concerns the following in particular (non-exhaustive list):
     - Brazil: FGTS = Fundo de Garantia de Tempo de Serviço
     - Chili: AFPs = Administradores de Fondos de Pensiones
     - Italy: TFR = Trattamento di Fine Rapporto
     - Peru: AFPs = Administradores de Fondos de Pensiones
     - USA: 401(k) Retirement Plans
     - etc.

c. Time frame for application of deductions

In case of Fund benefits paid in the form of a lump-sum capital: the deductions described in point 5b) are applied immediately upon payment of the Fund benefits in the form of a lump-sum, in particular in the event of leaving the Fund, death, withdrawals under the home ownership scheme, or following a divorce.

In case of Fund benefits paid in the form of a pension: the deductions described in point 5b) are applied at the start of pension payments or upon payment of capital accrued in Switzerland and abroad. Once the deductions are applied, the Fund pension will no longer be reviewed and no compensation will be granted in the event of exchange rate fluctuations or any reviews of foreign benefits.

Moreover, if retirement, death or disability benefits are paid, the Fund administration may refuse to pay the one-off credit, with interest, as a lump sum and replace it by a pension.

The Fund administration is competent to decide on the method to be applied.

6. Supplemental payment in case of early retirement

Active members born after 31 December 1958 and before 1 January 1969, insured with the Fund at 30 June 2013, who are entitled to a one-off credit in accordance with the preceding transitional provision and who are covered by transitional provision 1.1 or 1.2 of Annexe IX of the "pension objective plan" in effect on 1 January 2013, are entitled to a supplemental payment in case of early retirement before the age of 65 for men and 64 for women.

Members covered by transitional provision 1.1 or 1.2 of the above-mentioned Annexe IX, who have more than 35 years of membership at age 65 for men and 64 for women in accordance with the "pension objective plan" in effect on 1 January 2013, are entitled to a supplemental payment equal to 3% of the total savings contributions, with interest, paid by the member and the Employer at the retirement date, for each year of early retirement before age 65 for men and 64 for women. That duration is limited, however, to the number of years of membership exceeding 35 at age 65 for men and age 64 for women, but not more than 5 years.

Moreover, members covered by transitional provision 1.2 of the above-mentioned Annexe IX, who have more than 25 years of membership at age 65 for men and 64 for women in accordance with the "pension objective plan" in effect on 1 January 2013, are entitled to a supplemental payment equal to 2% of the total savings contributions, with interest, paid by the member and the Employer at the retirement date, for each year of early retirement before age 65 for men and 64 for women. That duration is limited, however, to the number of years of membership exceeding 25 at age 65 for men and age 64 for women, but not more than 5 years, less any years already offset under the preceding paragraph.

The supplemental payment is reduced pro rata in the event of a withdrawal under the encouragement of home ownership scheme or following a divorce.

No other member of the Fund is entitled to a supplemental payment.

The supplemental payment is only credited at the member's retirement, in accordance with the above conditions, and a member is not entitled to this amount in other cases of benefits or at retirement on or after age 65 for men and 64 for women. The supplemental payment is funded through the Employer's special contributions reserve for early retirement in accordance with the transitional provisions.

7. Future disability, spouse's and partner's pensions

For active members of the Fund on 30 June 2013, the insured disability and spouse's pensions at 30 June 2013 are guaranteed in Swiss francs until 31 December 2018.

Moreover, the insured partner's pension as of 1 July 2013 is at least equal, in Swiss francs, to the insured spouse's pension on 30 June 2013 for active members of the Fund at that date, and until 31 December 2018.

If there is a change in the degree of employment, these guarantees become null and void.

8. Compensation of the spouse's pension for age difference

Members who on 30 June 2013 opt to compensate the reduction for age difference in the spouse's pension are entitled to a spouse's pension of 45% of the pensionable salary without any reduction for age difference, taking into account the reduction of their own retirement pension in accordance with the relevant provisions of the "pension objective plan" regulations.

9. Disability and retirement pensions in payment on 30 June 2013

The disability and retirement pensions whose entitlement began before 1 July 2013 continue to be governed by the "pension objective plan" regulations in effect on 1 January 2013.

10. Guarantee for pensions in payment on 30 June 2018

The entry into effect of the new Regulations on 1 July 2018 does not affect pensions in payment and the corresponding reversionary pensions.

11. Supplemental payment in case of retirement

Active members born before 1 January 1973 and insured with the Fund at 30 June 2018, are entitled to a supplemental payment on retirement where benefits are paid in the form of a pension.

The amount of this supplement was calculated individually at 30 June 2018, so that the insured retirement pension at 1 July 2018 represents a given percentage of the insured retirement pension at 30 June 2018, in accordance with the table below, taking account of a projection interest rate of 1.5% and the reference salary in effect at 30 June 2018. The member's age is calculated in years and months.

Members whose insured retirement pension at 1 July 2018 represents a higher percentage than the table below compared with the retirement pension at 30 June 2018, do not qualify for the supplement calculated at 1 July 2018.

No other member of the Fund is entitled to a supplemental payment on retirement.

Percentage for calculation of the supplement at 1 July 2018

Age	Rate	Age	Rate
45	92.00%	58	98.93%
46	92.53%	59	99.47%
47	93.07%	60	100.00%
48	93.60%	61	100.00%
49	94.13%	62	100.00%
50	94.67%	63	100.00%
51	95.20%	64	100.00%
52	95.73%	65	100.00%
53	96.27%	66	100.00%
54	96.80%	67	100.00%
55	97.33%	68	100.00%
56	97.87%		
57	98.40%		

This supplemental payment is only credited at the member’s retirement, in accordance with the above conditions. It is funded each year by the Employer, directly or through the Fonds de Pensions Complémentaire Nestlé. The portion of benefits taken in the form of a lump-sum capital do not qualify for a supplemental payment.

Addendum I
to the Regulations, July 2018 edition

At its meeting of 5 November 2020, the Pension Board resolved to amend the Regulations which came into effect on 1 July 2018 and adopted the following Addendum 1. The Regulations are amended as follows:

Art. 9bis Maintenance of insurance after termination of employment by the Employer

1. Active members aged 58 or over who leave the Fund following termination of their employment contract by the Employer may maintain their insurance coverage with the Fund if they apply in writing to do so before the end of the notice period, and provide proof that notice was given by the Employer. In this case, an agreement on the terms and conditions of the insurance shall be concluded between the member and the Fund.

2. During the period of maintained insurance, a member may elect to maintain full insurance or risk insurance only. When applying for maintained coverage, the member shall inform the Fund about the desired scope of the insurance to be maintained, i.e. full coverage or risk-only.

3. The vested termination benefit shall remain with the Fund even if the member elects to maintain risk-only insurance. If the member joins a new occupational benefits institution, the Fund shall transfer the vested termination benefit to the latter institution to the extent it can be applied to purchasing the full regulatory benefits.

4. In addition to his own contributions, the member is also liable for the employer's contribution calculated on the last pensionable salary before the maintenance of the insurance. Invoicing shall be monthly in advance.

5. The maintenance of insurance shall end if the member:

   a. terminates the maintained insurance;

   b. is in arrears with contribution payments. The member is deemed in arrears if he fails to transfer the contributions within 30 days of the invoice date.

   c. reaches the normal retirement age;

   d. is entitled to a temporary disability pension. If the member is entitled to a partial temporary disability pension, only the disability portion of the maintained insurance shall end;

   e. dies before he reaches the normal retirement age;

   f. joins a new occupational benefits institution and more than two-thirds of his vested termination benefit is transferred to such institution.

6. Once the insurance has been maintained for more than two years, retirement benefits shall only be payable as a pension. The withdrawal or pledging of the vested termination benefit to finance the purchase of a home for own use shall no longer be permitted.

Art. 27 Entitlement to a retirement pension

1. *[unchanged]*

2. An active member whose employment terminates between his 58th birthday and the normal retirement age shall be entitled to an early retirement pension unless he applies for payment of his vested termination benefit, in accordance with Articles 60 et seq., provided he can show that he is gainfully employed as a principle occupation or has registered for unemployment benefits. Article 9bis may apply.

3. *[unchanged]*

Art. 64 Withdrawal

1. – 7. [unchanged]

8. A member may repay the amount withdrawn to finance the purchase of his own home, subject to a minimum repayment amount of CHF 10,000 except for the last tranche, at any time before the normal retirement age provided he is not drawing early retirement benefits from the Fund, or until the occurrence of another insured event or the cash payment of the vested termination benefit.

9. – 12. [unchanged]

Annex VII
Transitional provisions

1. – 11. *[unchanged]*

12. Transitional provision relating to Article 9^{bis}
Members aged 58 or older who left the insurance after 31 July 2020 because the employment relationship was terminated by the Employer may apply to maintain their insurance from 1 January 2021 in accordance with Article 9^{bis} if they provide proof that notice was given by the Employer. The relevant application must be submitted in writing by 28 February 2021.

II. This Addendum comes into effect on 1 January 2021.

III. It is communicated to the Regulatory Authorities and the members.