



# Schindler Foundation

## Rules

Version of January 1, 2022



**Schindler**

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# A Definitions

**Foundation**

Schindler Foundation

**Company/ies**

Swiss and foreign companies of the Schindler Group

**Founder**

Schindler Holding AG, Hergiswil/NW (Switzerland)

**Insured**

All persons who are insured under these Rules

**Final age**

The first day of the month following the 65th birthday

**Saving contributions**

The savings contributions payable to the Foundation in arrears on December 31 of each year

**AHV/IV**

Federal Old Age and Survivors' Insurance (*Eidgenössische Alters- und Hinterlassenenversicherung*) / Federal Invalidity Insurance (*Eidgenössische Invalidenversicherung*)

**BVG**

Federal Act on Occupational Old Age, Survivors' and Invalidity Pension Provision (*Bundesgesetz über die berufliche Alters-, Hinterlassenen und Invalidenvorsorge*)

**FZG**

Federal Act on the Vesting of Occupational Old Age, Survivors' and Invalidity Benefits (*Bundesgesetz über die Freizügigkeit in der beruflichen Alters-, Hinterlassenen- und Invalidenvorsorge*).

Please refer also to the index of keywords at the end of these Rules, which is intended as an additional guide to users.

# B Foundation, basis of insurance

## **Art. 1 Name and purpose of the Foundation**

- 1.1 The "Schindler Foundation" (*Schindler-Stiftung*) is a Foundation as defined by Art. 80 et seq. of the Swiss Civil Code (*Zivilgesetzbuch*), Art. 331 et seq. of the Swiss Code of Obligations (*Obligationenrecht*) and Art. 48 et seq. of the Federal Act on Occupational Old Age, Survivors' and Invalidation Pension Provision (BVG). The Foundation has its registered office in Hergiswil.
- 1.2 The Foundation is entered in the Commercial Register and is subject to statutory supervision.
- 1.3 The purpose of the Foundation is to protect affiliated employees against the economic consequences of old age and disability, or to protect their surviving dependents pursuant to Art. 1e BVV 2, in the case of the insured's premature death, in accordance with the Foundation's Rules and in addition to the benefits provided by existing occupational benefits institutions. Cover is provided for that portion of salary that exceeds 150% of the BVG ceiling amount.

## **Art. 2 Group of insured persons**

- 2.1 Employees who, according to the definition determined by the company, hold a management position with a Schindler company that has its registered office in Switzerland, and whose applicable annual salary pursuant to Art. 4.1 exceeds the entry threshold of 150% of the BVG ceiling amount as per Art. 8 para. 1 BVG, are eligible for enrolment. Companies will notify the Foundation of all eligible employees as soon as such employees fulfil the conditions of enrolment.

Enrolment in the Foundation is not open to employees who:

- have already reached or exceeded the final age;
- do not work in Switzerland or are unlikely to work permanently in Switzerland, and who are sufficiently insured abroad;
- are classified under IV regulations as at least 70% disabled at the time they otherwise fulfil the conditions of enrolment;
- continue to be insured on a provisional basis under Art. 26a BVG;
- have a fixed-term employment contract of a maximum of three months.

## **Art. 3 Beginning and end of insurance cover**

- 3.1 All employees enrolling in the Foundation must complete a questionnaire on their state of health. If the employee is not fully fit for work at the time of their enrolment, or if at that time the applicable annual salary of a person who is fully fit for work exceeds a limit defined by the Foundation or the reinsurance company, the employee must undergo a medical examination by a doctor appointed by the Foundation. The Foundation will pay the costs of this examination. On the basis of the submitted documents, the Foundation may, for health reasons, impose a proviso as regards death and disability risks, or may exclude benefits entirely. It will inform the employee of its decision in writing. The proviso will apply for a maximum of five years.

- 3.2 Employees are enrolled with the Foundation when they take up employment or as soon as the applicable annual salary exceeds the entry threshold defined in Art. 2.1, but no earlier than January 1 following their 24th birthday. Benefit cover for the risks of death and disability will begin once a medical check-up has been completed and the Foundation has confirmed enrolment.
- 3.3 If an insured's employment relationship ends for a reason other than their reaching the final age, disability or death, the withdrawing insured is entitled to vested benefits pursuant to Art. 13. Insureds remain covered for the risks of disability and death until they start a new employment relationship, but for no longer than one month after termination of the present employment relationship.
- 3.4 Membership of the Foundation ends when the employment relationship with the company is dissolved, or when the applicable annual salary falls below the entry threshold. The withdrawing insured is entitled to vested benefits pursuant to Art. 13.
- 3.5 The continuation of the employment relationship, with the agreement of the employer, during a period in which the employee's obligation to work and the company's obligation to pay their salary are suspended is deemed to be unpaid leave or an unpaid sabbatical. During this unpaid leave or unpaid sabbatical, the insured themselves is responsible for paying risk premiums, as well as savings contributions. The insured may elect not to continue paying savings contributions. In this case, they must notify the Foundation of their decision in writing one month before beginning the unpaid leave or unpaid sabbatical. The annual savings contribution will be reduced accordingly as a result. The Foundation will invoice the insured for the premiums and contributions. These must be paid before the insured begins their unpaid leave or unpaid sabbatical, otherwise membership of the Foundation will lapse pursuant to Art. 3.4. Should unpaid leave last for longer than two years, membership of the Foundation will be terminated effective at the end of the month following expiry of the two-year period since the unpaid leave began. The insured is entitled to vested benefits in such cases.

#### **Art. 4 Insured salary**

- 4.1 The applicable annual salary consists of 12 monthly salaries plus the 13th monthly salary (year-end gratuity), and 100% of the target bonus.
- 4.2 The coordination deduction corresponds to 150% of the BVG ceiling amount, as defined in Art. 8 para. 1 BVG.
- 4.3 The insured salary equals the applicable annual salary pursuant to Art. 4.1, minus the coordination deduction pursuant to Art. 4.2.
- 4.4 The Board of Trustees will determine the maximum insured salary within the framework of statutory provisions. In total, across all existing pension fund memberships, the insured salary may not exceed the income that is subject to AHV contributions, and/or and ten times the BVG ceiling amount.

- 4.5 The provisions set out in Arts. 3.1 and 3.2 apply *mutatis mutandis* to additional insured benefits where benefit payments are to be increased following a salary adjustment.
- 4.6 Insureds whose effective annual salary is cut by no more than half after the age of 58 may maintain their previous insured salary, up to the final age at the latest. The company will finance the contributions relating to that part of salary which remains insured.
- 4.7 If an insured becomes entirely unfit for work, the salary that was valid immediately before they became unfit remains unchanged for insurance purposes. If an insured becomes partially unfit for work, their insurance cover is divided into an “active” part and a “disabled” part. The salary that was valid immediately before the insured became unfit forms the basis of the division of salary, which is made in accordance with the partial disability pension rates set out in Art. 10.3. The salary on which the “disabled” part of the insurance is based remains constant. In the “active” part of the insurance, the income earned from gainful employment is regarded as the applicable salary, with the coordination deduction being multiplied by the remaining degree of activity. The same applies to individuals who are partially unfit for work upon enrolment with the Foundation.

## **Art. 5 Retirement assets, savings contributions, investment strategies**

### **5.1 Retirement assets**

Individual retirement assets are maintained for each insured.

Retirement assets comprise:

- a) annual savings contributions, as defined in Art. 5.2;
- b) additional voluntary contributions, as defined in Art. 5.3;
- c) investment performance which has been credited or debited, as defined in Art. 5.6;
- d) less any advance withdrawals for the purchase of residential property, as defined in Art. 17.1, plus repayments of advance withdrawals;
- e) less any payouts as a result of divorce, plus any repurchase of benefits, as defined in Art. 17.4;
- f) plus any amounts transferred as part of a pension compensation settlement for the insured.

If an insured becomes fully or partially unfit for work, their retirement assets will be maintained with savings contributions based on the salary divided as per Art. 4.7. Cover is maintained in accordance with the partial disability pension rates set out in Art. 10.3. Retirement credits to the “disabled” part of pension cover are based on the “disabled” part of the salary. Retirement credits to the “active” part of pension cover are based on the income earned from gainful employment.

## 5.2 Annual savings contributions

5.2.1 The annual savings contribution depends on the income (monthly salary x 12 plus year-end gratuity and target bonus). The following categories apply:

Category	Annual savings cont. in CHF	Minimum income determined by Board of Trustees
A	5 000	150% of the BVG ceiling amount
B	10 000	170 000
C	15 000	200 000
D	20 000	220 000
E	25 000	240 000
F	30 000	260 000
G	35 000	280 000
H	40 000	310 000
I	50 000	350 000
K	60 000	400 000
L	70 000	440 000
M	80 000	480 000
N	90 000	520 000
O	100 000	560 000
P	120 000	620 000
Q	140 000	700 000
R	160 000	800 000
S	180 000	860 000

5.2.2 The annual savings contribution is credited in arrears on December 31 of each year. A pro-rata savings contribution is credited in the case of enrolment or withdrawal during a calendar year.

The full monthly contribution is credited for insureds leaving the Foundation after the 15th of the month. No savings contribution is credited for insureds leaving the Foundation before the 16th of the month.

## 5.3 Additional voluntary contributions

Insured persons may make additional voluntary contributions (AVCs) at any time, as permitted by law, and thereby buy into full retirement benefits as provided for under the Rules. Annex A contains the guidelines which govern additional voluntary contributions. The maximum possible AVC is reduced by the amount by which the insured's retirement assets with the Schindler Pension Fund exceed the maximum retirement assets as determined by the Fund's AVC table Restrictions on AVCs by persons moving to Switzerland from abroad who have never previously been insured with a pension scheme in Switzerland, as laid down in Art. 79b BVG and Art. 60b BVV 2, remain reserved.

An insured who has made an advance withdrawal to buy a home will not be able to make any further voluntary contributions until the advance withdrawal has been repaid.

In order to comply with statutory provisions governing AVCs, the insured must supply the Foundation with a corresponding written declaration and any necessary documentation before any AVCs are made.

AVCs may, in principle, be deducted from taxable income at federal government, cantonal and municipal levels. However, the Schindler Foundation does not guarantee the deductibility of the contributions transferred to it.

Where AVCs have been made, the resulting benefits may not be withdrawn as a lump sum from the pension scheme for the following three years, otherwise the AVCs will be treated for tax purposes as if they had never been made. Payments made to repurchase benefits in the event of divorce are exempted from this restriction.

#### 5.4 **Investment strategies**

The Board of Trustees defines a variety of investment strategies with different risk/return profiles from which insureds can choose when investing their retirement assets. These include a strategy consisting of low-risk investments pursuant to Art. 53a BVV 2. The details of the different investment strategies and their implementation are set out in Annex C. The Foundation periodically reviews the strategies it offers, and may amend them accordingly as necessary. Aside from the information materials it provides, the Foundation does not offer any advice on choosing a strategy. Where appropriate, insureds must seek professional advice at their own expense.

#### 5.5 **Investment strategy selection**

The Foundation notifies insureds of the various investment strategies, and of the associated risks and costs, when insureds enroll with the Foundation and in the event of changes to the investment strategies offered. Insureds must confirm in writing that they have received this information. Insureds notify the Foundation in writing of their choice of investment strategy. If they do not select a strategy, their retirement assets will be invested in accordance with the low-risk investment strategy defined by the Board of Trustees in the Annex.

Insureds may switch investment strategy in any given month, with effect from the beginning of the following month. To do so, they must notify the Foundation in writing by the 20th of the current month of the change in investment strategy they wish to make from the beginning of the next month onwards. If the Foundation has not received any notification by this deadline, the existing instructions will continue to apply.

All company and employee contributions, personal AVCs, repayments of advance withdrawals, repurchases of benefits following the payout of a portion of withdrawal benefits owing to divorce, as well as amounts transferred as part of a divorce-related pension compensation settlement for the insured, will essentially be allocated to the chosen investment strategy at the end of the calendar month in question. No interest will be paid until that

point. For all of these deposits, investment, as well as the crediting or debiting of performance, begins on the first value date of the month following that in which the deposit was made. Should date restrictions apply to subscriptions within specific investment modules of the chosen investment strategy, incoming funds will be invested at the next possible subscription date. No interest will be paid until that point.

The Board of Trustees may determine a scale of charges for transactions between investment strategies.

5.6 **Crediting and debiting of performance**

The performance achieved by the investment strategy chosen by the insured is credit or debited to the retirement assets on a monthly basis.

Results are published monthly at [www.schindler-pk.ch](http://www.schindler-pk.ch).

5.7 **Withdrawal**

If an insured withdraws from the Foundation during a calendar year, a pro rata statement will be drawn up in accordance with Art. 5.6 as at the month of withdrawal.

# C Financing

## **Art. 6 Obligation to pay contributions**

- 6.1 The obligation to pay contributions commences when the insured joins the Foundation, and lasts until their retirement, withdrawal from the Foundation, the death of the insured, or until they become eligible for a waiver of contributions pursuant to Art. 10.7.
- 6.2 Annual savings contributions and risk premiums are paid in full by the companies.
- 6.3 Risk premiums are due in advance as at January 1, or the date on which the insured joins the Foundation, while annual savings contributions are due in arrears as at December 31.

## **Art. 7 Assets, financial equilibrium**

- 7.1 The assets of the Foundation are used to cover the benefits provided for by these Rules.
- 7.2 If the actuarial balance sheet shows a shortfall in cover, the Board of Trustees must implement all measures required to eliminate this shortfall, taking into account the level of the shortfall, the asset and liability structure and the age structure of the insureds and pensioners.

Subject to statutory provisions, the following action in particular may be taken to eliminate the shortfall in cover:

- reduce performance credits;
- in agreement with the company, temporarily increase risk premiums;
- voluntary subsidies on the part of the company;
- deposits by the company into a separate “employer contribution reserve subject to waiver of use” account, or the transfer of the regular employer contribution reserves to this account; contributions into this account may not exceed the amount of the shortfall. No interest is paid on the “employer contribution reserve subject to waiver of use”, but negative performance on the invested assets may be debited to it;
- fixed-period, fixed-amount restriction or moratorium on the payment of advance withdrawals under the home ownership promotion scheme if the advance withdrawal is to be used to repay a mortgage;
- where the above or other measures do not resolve the shortfall, restructuring contributions may be levied upon the company and the insureds. In such cases, the company’s restructuring contribution must equal at least the total amount of the insureds’ restructuring contributions;
- notwithstanding statutory provisions, reduce current or future pension benefits.

Should it come to the attention of the Board of Trustees that the basis of benefit cover is at risk owing to extraordinary circumstances, such as natural disasters, nuclear accidents, terrorist attacks or war, it may provisionally reduce both current and future benefits.

The Board of Trustees must inform the insureds, pensioners, employers and supervisory authorities of the duration and effectiveness of such restructuring measures.

- 7.3 Insureds are informed of the financial situation of the Foundation every year in the annual report.

# D Benefits

## **Art. 8 Insured benefits**

- 8.1 The Foundation grants the following benefits:
- retirement assets at the final age;
  - disability pension (70% of insured salary);
  - waiver of contributions in the event of disability;
  - benefits in case of sickness;
  - fixed-period survivor annuity in the event of death (56% of insured salary);
  - lump-sum death benefit;
  - orphan's pension (7% of insured salary);
  - vested benefits.
- 8.2 Once a year, each insured receives an insurance certificate stating the amount of their retirement assets and the insured benefits.
- 8.3 The insurance benefits under Art. 8.1 are paid subject to Art. 15.
- 8.4 Taxation of pensions (disability/death/retirement) and lump-sum payments

### **a) Insureds in Switzerland:**

Pensions are taxable as income. Lump-sum payments (withdrawal benefits, lump-sum death benefits and retirement assets upon retirement) are taxable at federal government, cantonal and municipal levels.

### **b) Insureds abroad:**

With the exception of residents of those countries which have a double taxation treaty with Switzerland, pensions are subject to withholding tax. Lump-sum payments are always subject to withholding tax, regardless of any treaty arrangement. Providing a double taxation treaty exists, withholding tax that has been levied may be reclaimed upon application by the recipient of the lump sum payment.

## **Art. 9 Retirement benefits**

- 9.1 Entitlement to retirement assets commences upon termination of the employment relationship as a result of retirement at the final age. Insureds who are married or living in a registered partnership must sign the form along with their spouse or registered partner to have their retirement assets paid out. All signatures must be authenticated by an official body or notary. Insureds who are unmarried and not living in registered partnerships must enclose a current official certificate of marital status with their form. The Foundation does not owe interest on the retirement assets for any period in which the insured does not supply the authorization of their spouse or registered partner, or the necessary documentation.
- 9.2 If, after having reached the final age, the insured remains employed by the company, they can choose to defer the receipt of all or part of their retirement benefits until they actually retire, but no longer than their 70th birthday. In such cases, retirement assets continue to accrue with savings contributions and interest in accordance with Arts. 5.2, 5.3 and 5.6 until the insured leaves the company. If the insured dies during the period of continued insurance or pension deferral, in accordance with Art. 12.6 the surviving

dependents are entitled to the retirement assets at the time of death. No disability benefits are payable. Retirement benefits become payable after three months of incapacity to work.

**Art. 10 Disability benefits**

- 10.1 An insured is considered to be disabled if they are temporarily or permanently partially or entirely unable to work for health reasons (accident, illness) or if they become disabled as defined by IV regulations, i.e. they are not able to pursue their profession or engage in other paid employment that might be considered reasonable given their knowledge and abilities and taking their previous professional position into account, and they suffer a fall in income as a result.
- 10.2 The decision of the IV authorities determines whether or not the disability is recognized, as well as the degree of that disability. Under special circumstances, the Foundation may have the insured’s state of health and ability to earn a living assessed by a doctor it appoints, or by the reinsurance company. In such cases, the loss of salary (based on the previous salary) as a result of the disability is key to determining the degree of disability.
- 10.3 The Foundation will pay disability pensions in accordance with the following scale:

Degree of disability	Pension as % of insured disability pension
Less than 25%	0%
As from 25% and less than 60%	As per degree of disability
As from 60% and less than 70%	Three quarters of pension
As from 70%	100%

- 10.4 The insured becomes eligible for benefits as soon as the disability has persisted without interruption for 24 months. Furthermore, to be eligible the insured must have been insured under these Rules at the time they became unable to work, the cause of which resulted in their disabled status.
- 10.5 Entitlement to disability benefits ceases when the degree of disability falls below 25%, when the insured reaches the final age, or at the end of the month in which the insured dies. Should the IV pension be reduced or revoked, the insured remains insured on a provisional basis, and they continue to be entitled to benefits under Art. 26a BVG.
- 10.6 The full annual disability pension equals 70% of the insured salary, but at least CHF 7,000. For the duration of the disability, retirement assets continue to accrue with past savings contributions up to the final age, and the performance that is achieved is credited or debited, as appropriate. In the case of partial disability, retirement assets continue to accrue on a pro rata basis in accordance with the partial pension scale described in Art. 10.3.
- 10.7 If an insured becomes unable to work, the company’s obligation to pay contributions to the Foundation will cease after a waiting period of 12 months. In the case of partial disability, contributions are waived on a pro-rata basis in accordance with the partial pension scale described in Art. 10.3.

## **Art. 11 Death benefits**

### **Fixed-period survivor annuity**

- 11.1 The surviving spouse of an active or disabled insured is entitled to a fixed-period survivor annuity.
- 11.2 The fixed-period survivor annuity is paid for the first time for the month following the death of the insured, but not before any salary or posthumous salary payments are discontinued.
- 11.3 The fixed-period survivor annuity ceases upon the death of the surviving spouse, but at the latest on the date on which the deceased insured would have reached the final age.
- 11.4 The fixed-period survivor annuity amounts to 56% of the insured salary at the time of death or beginning of the incapacity to work, the cause of which resulted in the death of the insured. It is at least CHF 5,600 per year. In the case of the death of a disabled pensioner the fixed-period survivor annuity is 80% of the full disability pension.

### **Lump-sum death benefit**

- 11.5 A lump-sum death benefit falls due for payment if an active or disabled insured dies.
- 11.6 The following persons are entitled to claim the lump-sum death benefit, in the order of precedence given:
- a) the surviving spouse;
  - b) natural persons who had been supported to a considerable extent by the insured for a long period of time, or the partner with whom the insured had lived without interruption during the last five years before the insured's death but who was not married or related to the insured, or the person responsible for supporting one or more joint children;
  - c) children;
  - d) parents or siblings;
  - e) other statutory heirs in accordance with their inheritance entitlement, with the exception of the canton and commune as described in Art. 466 of the Swiss Civil Code.

If it better serves the purpose of benefit provision, unmarried insureds may stipulate the beneficiary groups listed above under c) to e) and the amount of individual entitlements in greater detail by submitting a written, substantiated request to the Foundation administration.

A partnership entitling a partner to a pension must be confirmed in writing and the confirmation signed by both partners. This confirmation must be submitted to the Foundation administration before the death of the insured using the form provided by the Foundation.

Significant support on the part of the insured must be confirmed to the Foundation administration by the insured during their lifetime using the form provided by the Foundation.

In accordance with the principles of the Foundation, surviving dependents listed under a) to c) above are entitled to the retirement assets accrued as at the date of death, plus savings contributions (at their current level) discounted up to the date on which the insured would have reached the final age.

Parents or siblings are entitled to receive the retirement assets accrued as at the date of death.

The remaining statutory heirs are entitled to receive half of the retirement assets accrued as at the date of death.

### **Orphan's pension**

- 11.7 If an active or disabled insured dies, each of their children younger than 18 receives an orphan's pension. This pension is paid until the 18th birthday. Children who are still in education can continue to claim a pension until they have completed that education, but no longer than their 25th birthday.
- 11.8 The orphan's pension is 7% of the insured salary at the time of death or beginning of the incapacity to work, the cause of which resulted in the death of the insured, for each child who has lost one parent, and 14% of that salary for each child who has lost both parent. In the case of children of disabled insureds, the figures are 10% and 20% of the full disability pension respectively.

## **Art. 12 Vested benefits**

- 12.1 If the employment relationship is terminated by the insured or by the company, or if membership of the Foundation ends, before an insured event has occurred, the insured is entitled to vested benefits.
- 12.2 The vested benefits are calculated in accordance with the defined contributions system, and correspond to the accrued retirement assets as defined under Art. 19a para. 1 FZG. Vested benefits fall due for payment upon withdrawal from the Foundation. No interest is paid on them from this point onward. The Foundation may defer the payment of some or all of the benefits until the liquidation of the corresponding parts of the investment strategy chosen by the insured has been completed. Profits or losses registered during the liquidation phase may increase or reduce withdrawal benefits.
- 12.3 The vested benefits are transferred to the pension scheme of the new employer. If the insured does not join a new pension scheme, they must inform the Foundation of whether the vested benefits must be paid into a vested benefits policy (with insurance cover) or a vested benefits account (without insurance cover). If no instructions are received from the insured, the vested benefits will be transferred to the National Substitute Pension Plan ("*Auffang-einrichtung*") no earlier than six months and no later than two years after the insured's departure from the Foundation.
- 12.4 Withdrawal benefits are paid in cash to the withdrawing insured upon request,  
– if they are leaving the Switzerland/Liechtenstein economic area definitively; or

- if they are becoming self-employed and are no longer subject to mandatory occupational pension provision; or
- if the vested benefits amount to less than one annual savings contribution.

Insureds who are married or living in a registered partnership must sign the form for cash payment along with their spouse or registered partner. All signatures must be authenticated by an official body or notary. Insureds who are unmarried and not living in registered partnerships must enclose a current official certificate of marital status with their application. If the vested benefits have been pledged as security for the purchase of residential property, cash payment requires the written consent of the creditor holding right of lien.

- 12.5 If the Foundation must pay survivors' or disability benefits after the vested benefits have already been paid out, the vested benefits required to finance the survivors' or disability benefits must be repaid. Survivors' and disability benefits will be reduced if no repayment is made.

# E General provisions on benefits

## **Art. 13 Payment**

- 13.1 Pensions are paid in monthly instalments in advance. The claim to a pension remains valid until the end of the month in which pension eligibility lapses under the provisions of these Rules. Pensions which have been paid at too high an amount or for too long a period must be repaid or set off against any benefits. The right to reimbursement of benefits paid wrongly lapses three years after the Foundation becomes aware of the fact, but at the latest five years after the benefits have been paid out. Where the claim for reimbursement derives from a criminal act for which criminal law determines a longer limitation period, this latter period applies.

## **Art. 14 Deduction of benefits paid by third parties, reduction of benefits**

- 14.1 If the death or disability benefits payable by the Foundation plus any other creditable income pursuant to Art. 15.2 result in a pension income for the insured or their surviving dependents of more than 90% of the AHV salary prior to becoming unfit for work, or death, the benefits payable by the Foundation are reduced to a level that ensures that this ceiling is no longer exceeded. The statutory provisions on reductions in benefits in the event of pension rights being divided upon divorce will also apply.
- 14.2 Creditable income includes the following benefits paid out to the entitled claimant owing to the insured harmful event:
- benefits from the AHV/IV, not including care allowances for persons unable to look after themselves;
  - benefits from foreign social insurance schemes;
  - benefits from military or accident insurance schemes or occupational benefits plans (including the Schindler Pension Fund);
  - benefits from vested benefits schemes and the National Substitute Pension Plan;
  - benefits from private insurance schemes where at least half of the costs were paid by the company;
  - regular earned income in the case of disabled insureds;
  - liability claims against the company or third parties;
  - the earned or substitute income that continues to be earned, or might reasonably be expected to be earned, by a disabled insured, with the exception of additional income earned while participating in a reintegration program pursuant to Art. 8a of the Invalidity Insurance Act.
- Single lump-sum payments are set off at their paid-up pension value. Care allowances for persons unable to look after themselves, compensation payments and similar benefits are excluded from the set-off.
- The income received by the widow/widower and orphans is added together.
- 14.3 If the insured has caused or extended the duration of the disability intentionally or by gross negligence, the Foundation may reduce the benefits claim accordingly. This also applies if the insured resists any appropriate medical treatment which, in the opinion of the medical expert, could lead to a reduction in the degree of disability. Furthermore, the Foundation will suspend the disability

pension while the insured completes a custodial sentence or other measure which restricts personal liberty.

- 14.4 From the point at which the Foundation learns that the disability insurance office has ordered the precautionary suspension of disability pension payments pursuant to Art. 52a of the Federal Act on General Aspects of Social Insurance Law (*Bundesgesetz über den Allgemeinen Teil des Sozialversicherungsrechts, ATSG*), the Foundation will also suspend payment of the disability pension.

#### **Art. 15 Claims against liable third parties**

- 15.1 The Foundation may demand that a disabled insured or the surviving dependents of a deceased insured assign to the Foundation their claims against a third party which is liable in the case of disability or death, up to the amount of the benefits paid by the Foundation, if the Foundation does not, under the terms of the BVG, assume such claims instead of the insured, their surviving dependents and other entitled claimants. The Foundation is entitled to cease the payment of benefits until this assignment has been made.

#### **Art. 16 Home ownership, divorce**

- 16.1 Up to three years before reaching the final age, the insured may withdraw an amount from the Foundation to purchase residential property for their own use or pledge all or part of their retirement benefit entitlement. Insureds who are married or living in a registered partnership must sign the application for advance withdrawal or pledge along with their spouse or registered partner. In the case of advance withdrawals, all signatures must be authenticated by an official body or notary. Insureds who are unmarried and not living in registered partnerships must enclose a current official certificate of marital status with their application.
- 16.2 The legal provisions on the promotion of home ownership apply in all other respects.
- 16.3 If the liquidity that the Foundation requires is endangered by advance withdrawals, the Foundation may defer such applications. Applications for advance withdrawals are considered in the order in which they are received, whereby applications for the purposes of mortgage repayment may be deferred.
- 16.4 The relevant statutory provisions concerning the division of pension rights apply in the event of divorce or the court-ordered dissolution of a registered partnership under Swiss law.

## **Art. 17 Information and notification obligations**

- 17.1 The insured must confirm to the Foundation in writing that they have been given access to the information on the various investment strategies and the associated costs and risks, as well as to the information materials made available by the Foundation. They must also confirm to the Foundation in writing that they have developed an understanding of the various possible investment strategies, and that their chosen investment strategy corresponds to their personal capacity for risk. The insured must provide additional confirmations if they choose an investment strategy which allows for the expanded investment options pursuant to Art. 50 para. 4 BVV 2.
- 17.2 The insured or their surviving dependents must at all times provide the Foundation with accurate information on the circumstances that affect benefit cover, and must submit all documents required to check claims to benefits.
- 17.3 In particular, changes in status (marriage, birth, death, divorce, etc.) and/or creditable income pursuant to Art. 15.2, as well as the conclusion of education in the case of recipients of child pensions, must be reported to the Foundation within four weeks of their occurrence.
- 17.4 At the request of the Foundation, pensioners must submit an official certificate confirming that they are still alive.
- 17.5 The insured or their surviving dependents are liable to the Foundation for the consequences of unreported, incorrect or late information.

# F Organization and administration

## **Art. 18 Board of Trustees**

- 18.1 The Board of Trustees is the governing body of the Foundation. It consists of five members. The insureds may elect two representatives to the Board of Trustees; the other three members are appointed by the founder.
- 18.2 The chairman of the Board of Trustees is appointed by the founder. In all other matters, the Board of Trustees constitutes itself. It also determines authorized signatories and the manner in which those persons are permitted to sign on behalf of the Foundation.
- 18.3 The term of office is three years, and re-election is possible.
- 18.4 The members of the Board of Trustees and the administrative bodies are obliged to maintain confidentiality with regard to the knowledge that they may obtain about the personal circumstances of the insureds and the business of the Foundation and the companies.

## **Art. 19 Administration of the Foundation**

- 19.1 The Board of Trustees manages the business operations of the Foundation, represents its interests and, in particular, performs all of the non-transferable and inalienable tasks incumbent upon it.
- 19.2 The Board of Trustees may delegate certain tasks to commissions, administrative units and committees. It issues the necessary guidelines and regulations in this regard.
- 19.3 The Board of Trustees appoints a managing director.
- 19.4 The Board of Trustees appoints the auditors, who must conduct an annual inspection of the Foundation's business management, accounting practices and financial position and submit a written report on these matters for the attention of the Board of Trustees.
- 19.5 The Board of Trustees appoints the occupational pensions actuary.

# G Final provisions

## **Art. 20 Applicable law**

- 20.1 Any disputes are submitted to the competent court of general jurisdiction. The place of jurisdiction is the Swiss domicile or place of residence of the defendant or domicile of the company which employed the insured. The registered office of the Foundation is the legal venue for disputes concerning insureds domiciled abroad.

## **Art. 21 Omissions in the Rules**

- 21.1 If any provisions regarding specific situations have been omitted from these Rules, the Board of Trustees will implement an amendment that conforms to the Foundation's purpose.

## **Art. 22 Deviations between the different language versions of the Rules**

- 22.1 Where these Rules have been issued in different language versions, and deviations and inconsistencies, etc. have arisen as a result, the German version of the Rules will prevail over the other language versions (translations).

## **Art. 23 Amendments to the Rules, entry into force**

- 23.1 These Rules may be amended by the Board of Trustees at any time in compliance with statutory provisions. Schindler Management AG and Schindler Aufzüge AG, Ebikon, must have the opportunity to comment on any proposed amendments in advance.
- The Rules and their subsequent amendments must be submitted to the supervisory authority in each case.
- 23.2 Benefits relating to insured events which occurred prior to the entry into force of the new Rules will be handled in accordance with the previous Rules.
- 23.3 These Rules enter into force on January 1, 2022, and replace the version dated April 1, 2020.

Board of Trustees of the Schindler Foundation

Ebikon, December 2, 2021

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# Annex A

## Guidelines for additional voluntary contributions as per Art. 5.3 of the Rules

Table for additional voluntary contributions, valid as of January 1, 2020

Age	No. of saving contributions	Age	No. of saving contributions
25	1.00	46	22.00
26	2.00	47	23.00
27	3.00	48	24.00
28	4.00	49	25.00
29	5.00	50	26.00
30	6.00	51	27.00
31	7.00	52	28.00
32	8.00	53	29.00
33	9.00	54	30.00
34	10.00	55	31.00
35	11.00	56	32.00
36	12.00	57	33.00
37	13.00	58	34.00
38	14.00	59	35.00
39	15.00	60	36.00
40	16.00	61	37.00
41	17.00	62	38.00
42	18.00	63	39.00
43	19.00	64	40.00
44	20.00	65	41.00
45	21.00		

Maximum retirement assets are calculated as follows in accordance with the insured's category as per Art. 5.2.1:

### Savings contribution x no. of savings contributions

#### Example of maximum permitted AVC

Age 50; annual savings contribution CHF 25 000

Maximum retirement assets: CHF 25 000 x 26 CHF 650 000

Less accrued retirement assets CHF 300 000

**Maximum AVC at age 50 CHF 350 000**

The relevant age is derived from the difference between the calendar year and the year of birth.

# Annex B

## Schindler Foundation Investment strategies

### 1 Investment strategies

Pursuant to Art. 5.4, insureds may choose one of the following ten investment strategies, as defined by the Board of Trustees, for the investment of their retirement assets. The strategies are composed of four investment modules: Current Account, Basic, Equities, and Real Estate.

Investment strategy No.	Investment modul				Total
	Account	Basic	Shares	Real estate	
1	100%	0%	0%	0%	100%
2	70%	0%	0%	30%	100%
3	70%	30%	0%	0%	100%
4	50%	50%	0%	0%	100%
5	25%	60%	0%	15%	100%
6	0%	100%	0%	0%	100%
7	0%	60%	15%	25%	100%
8	0%	60%	25%	15%	100%
9	0%	75%	25%	0%	100%
10	0%	25%	50%	25%	100%

Strategy 1 is composed of low-risk investments.

Strategies 5, 6, 7, 8 and 10 represent an expansion of the investment restrictions laid down in BVV 2, and require additional confirmation from the insured as per Annex D

The Basic investment module is implemented as follows (as at January 1, 2020):

Investment modul Basic	Strategy	Bandwidths
Liquidity	0.0%	0-5%
CHF bonds	16.5%	+/-7.5%
Foreign currency bonds	5.5%	+/-5.0%
Swiss equities	15.5%	+/-3.0%
Foreign equities	15.5%	+/-3.0%
Swiss real estate	22.5%	+/-7.5%
International real estate	5.0%	+/-1.5%
Private equity	5.5%	+/-2.0%
Hedge funds	3.0%	+/-2.0%
Commodities	2.5%	+/-2.0%
Insurance-linked securities	2.5%	+/-2.0%
Alternative bonds	3.0%	+/-2.0%
Infrastructure	3.0%	+/-2.0%
<b>Total</b>	<b>100.0%</b>	

## **2 Implementation of the chosen investment strategy and portfolio rebalancing**

- Subject to the rebalancing regulations and taking into account the latest available valuation for the investment modules at the end of the month, incoming funds are invested at the beginning of the following month in accordance with the chosen strategy. Should date restrictions apply to investments or subscriptions within those investment modules, incoming funds will be invested at the next possible subscription date. No interest will be paid until the investment has been made.
- Outflows will be covered primarily by incoming funds which have not yet been invested and secondarily by investment modules which are already held and which can be liquidated on a monthly basis. Only then will investments that are subject to subscription and redemption restrictions be sold to the extent necessary. The Foundation may defer payments entirely or in part until the liquidation of the corresponding parts of the investment strategy chosen by the insured has been completed. Profits or losses registered during the liquidation phase will increase or reduce benefits in the pension case in question.
- Portfolios are rebalanced on a monthly basis, i.e. the weightings of the individual investment modules within the various investment strategies are restored to their original levels.

## **3 Investment income / performance**

The performance generated by the individual investment strategies comprises the weighted performances of their investment modules. Performance is credited or debited to retirement assets on a monthly basis, as described in Art. 5.6.

## **4 Costs**

The following costs are charged. They may be debited to the investment modules directly, or within the collective investment schemes which are held as part of these modules:

- The costs of asset management, custody account management, and further costs associated with the administration of the assets and reporting on the part of the asset manager and/or the custodian bank.
- Costs incurred in connection with the administration, audit and supervision of the collective investment vehicles used
- Costs associated with stock market transactions and account management.
- The Board of Trustees may determine that further administrative costs which are incurred by the Foundation but which are not covered by contributions to costs will be debited from investment income.

The employer may pay a share of the costs.

Information about the investment strategies contains expected costs, estimated to the best of our ability.

## Confirmation of opt-in to expanded investment options

### **Confirmation from the insured where use is made of expanded investment options under Art. 50 para. 4bis BVV2**

The Ordinance on Occupational Old Age, Survivors' and Invalidity Pension Provision (BVV 2) provides among other things for a catalogue of permitted investments, restrictions on individual borrowers, restrictions on individual shareholdings and restrictions on individual real estate holdings, as well as limits on the various permitted asset classes.

Pursuant to Art. 50 para. 4bis BVV 2, investment options may be expanded on the basis of specific regulations, providing those expanded options are presented fully and coherently in the notes to the annual financial statements. Investments involving margin calls are prohibited.

The insured is aware that their chosen investment strategy makes use of the expanded investment options for individual asset classes that are provided for under Art. 55 BVV 2, i.e. that more than 30% of the portfolio may be invested in real estate, and/or more than 50% in equities, and/or more than 15% in alternative investments.

When drawing up this strategy, the Board of Trustees ensures that investments are selected, managed and monitored carefully. Sufficient attention is also paid to appropriate diversification, i.e. the distribution of risk.

The insured confirms that, before choosing this strategy, they studied its risk/return profile in detail, and concluded that the risks entered into with this strategy correspond to their personal capacity for risk, while ensuring that their objectives for their pension investments will continue to be achieved. The insured further confirms that they themselves are able to make these assessments and that, if this is not the case, they have sought sufficient professional support for their decision.



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