

*Swiss Life Collective Foundation Invest, Zurich*  
(the Foundation)

# Regulations governing the formation of provisions and reserves

**Effective date: 1.January 2018**

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## **Art. 1 Principles and objectives**

In accordance with Art. 48e BVV 2 the Board of Trustees of the Swiss Life Collective Foundation Invest (foundation) sets the reserving policy at Vorsorgewerk (employee benefits unit) and foundation level.

The regulations govern the formation of reserves and provisions, taking into account the principle of consistency. Attention has been paid to the fact that the foundation must be in a position to fulfil its future provision objectives at all times.

The pension actuary shall report regularly, at least once every three years, on the status of reserves and provisions. Based on the pension actuary's report, the Board of Trustees shall review these regulations periodically and, if necessary, adapt them to any new circumstances.

## **Art. 2 Organisation of the Foundation**

The foundation offers the beneficiaries a choice of investment strategy in accordance with Art. 1 lit. e BVV 2 and makes lump-sum payments as a rule.

The foundation shall maintain a separate Vorsorgewerk for each affiliated company. The foundation shall conclude an insurance contract with Swiss Life Ltd (Swiss Life) to cover the insured risks of death and disability arising before the insured person reaches the final age stipulated in the regulations, and for the purchase of any risk pensions.

## **Art. 3 Reserves and provisions at foundation level**

Technical provisions and free funds are maintained at foundation level.

### **1 - Technical provisions**

Technical provisions are to be formed in accordance with actuarial principles. The necessity of technical provisions, their actual and target amounts shall be regularly assessed by the occupational pension actuary and adjusted to current circumstances.

The foundation is not currently forming technical provisions.

### **2 - Use of free funds**

Free funds are disclosed provided the technical provisions have reached their target volume as per cl. 1.

The Board of Trustees decides on the use of free funds within the applicable financial framework. The principle of equal treatment of insured persons must hereby be observed.

## **Art. 4 Free funds and employer contribution reserves at Vorsorgewerk level**

### **1 - Use of free funds**

The Administrative Board decides how to use free funds, within the applicable financial framework and the legal provisions governing the use of free funds.

The principle of equal treatment of all insured persons must hereby be observed.

### **2 - Employer contribution reserves**

Any existing and new employer contribution reserves shall be managed at Vorsorgewerk level. The employer can determine whether they are held in an account as liquid assets or invested in an investment strategy (collective investment). The extent of the available employer contribution reserves in the latter case depends on the value of or sales proceeds from the units in the collective investment. In this case the employer bears the full risk of price losses. If the employer chooses not to select an investment strategy (collective investment), the employer contribution reserves are held as liquid assets.

## **Art. 5 Effective date**

Based on the decision of the Board of Trustees of 8 November 2017, the Regulations governing the formation of reserves and provisions shall come into force on 1 January 2018 and replace the previous regulations. The Board of Trustees may change the regulations at any time in accordance with the law and the foundation charter.

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