



Swiss Life Collective Foundation Invest, Zurich
(foundation)

Provisions on partial liquidation

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Art. 1 Basis

1 - Entitlement to free funds, provisions and value fluctuation reserves

In the event of the partial or full liquidation of a Vorsorgewerk (employee benefits unit) or the foundation, the withdrawing insured persons are entitled, individually or collectively, to a share of any accumulated free funds, provisions and value fluctuation reserves. In the event of a shortfall, the vested benefits of the leaving insured persons shall be correspondingly reduced.

2 - Conditions for partial liquidation

Partial liquidation at foundation level:

The conditions at foundation level are met:

- if the number of actively insured persons falls by more than 5% in less than one year
- if the vested pension capital of the actively insured persons is reduced by a minimum of 10% within a year due to members departing or
- upon termination of a contract of affiliation

Partial liquidation at Vorsorgewerk (employee benefits unit) level:

The conditions at Vorsorgewerk level are met:

- if the workforce of a company insured with the foundation, or the vested pension capital of the actively insured persons is reduced as follows (due to departures) within a year for reasons other than restructuring,
 - in the case of 5 employees or less, at least 2 employees or 25% of vested pension capital
 - in the case of 6-10 employees, at least 3 employees or 20% of vested pension capital
 - in the case of 11-25 employees, at least 4 employees or 15% of vested pension capital
 - in the case of 26-50 employees, at least 5 employees or 10% of vested pension capital
 - in the case of over 50 employees, at least 10% of employees or 10% of vested pension capital
- if the company undergoes restructuring and the insured workforce or the vested pension capital of the actively insured persons is reduced as follows within a year due to departures:
 - in the case of 5 employees or less, at least 2 employees or 20% of vested pension capital
 - in the case of 6-10 employees, at least 3 employees or 15% of vested pension capital
 - in the case of 11-25 employees, at least 4 employees or 10% of vested pension capital
 - in the case of 26-100 employees, at least 5 employees or 5% of vested pension capital
 - in the case of over 100 employees, at least 5% of employees or 5% of vested pension capital
- if the contract of affiliation is terminated.

Art. 2 Determination of the level of free funds, provisions, value fluctuation reserves and/or of the shortfall / Key date

1 - Determination of free funds, provisions and value fluctuation reserves and/or shortfall

The free funds, provisions and value fluctuation reserves and/or the shortfall pursuant to Art. 44 BVV 2 shall be determined on the basis of the actuarial and commercial

balance sheets in accordance with Swiss GAAP FER 26 as of the key date of partial liquidation.

The necessary reserves for underwriting and other risks, any additional reserves (reserves to safeguard the survival of the pension fund) and the necessary value fluctuation reserves shall be built up in accordance with the relevant regulations and provisions.

2 - Key date for partial liquidation

The key date for partial liquidation has been fixed as follows:

- in the case of reduction in the workforce or restructuring: the date the workforce reduction process was concluded, at the latest one year after it commenced. If the workforce reduction plan provides for a longer or shorter time period, this time period is applicable.
- upon termination of the contract of affiliation: the date of termination

3 - Relevant balance sheet

If the key date of the partial liquidation is 31 December, the actual financial situation is determined on the basis of the actuarial and commercial balance sheets produced on this date. If the key date does not fall on the 31 December, the previous year's commercial balance sheet is used.

If there is a change of over 10% in the key assets or liabilities between the key date of the partial liquidation and the transfer of free funds, the free funds are adjusted accordingly. The same goes for collective entitlements to insurance reserves and value fluctuation reserves.

4 - Costs

The costs required to finance the partial liquidation process are borne by the Vorsorgewerk.

5 - Distribution formula

The insured persons' retirement savings and/or vested benefits form the basis of the distribution formula.

Art. 3 Entitlement of the insured person in the event of partial liquidation following individual withdrawal

If the conditions for a partial liquidation are fulfilled, an individual entitlement to free funds arises in the event of an individual withdrawal.

Art. 4 Entitlement of the insured person in the event of partial liquidation following collective withdrawal

A collective entitlement occurs when at least five insured persons jointly leave the Vorsorgewerk to join another employee benefits institution. If the conditions for a partial liquidation are met, an entitlement to the following assets, in addition to the regulatory vested benefit, arises in the event of collective withdrawals:

1 - Free funds

If the conditions for a partial liquidation are met, an individual or collective entitlement to a share in the free funds arises in the event of collective withdrawals. The contribution made by the withdrawing insured persons is duly acknowledged.

The accumulated free funds of the Vorsorgewerk are distributed among those remaining with the Vorsorgewerk and those leaving or those who have left in proportion to the amount of the retirement savings and/or vested benefit.

The free funds for insured persons who are not withdrawing from the foundation or the Vorsorgewerk shall remain collectively with the foundation or Vorsorgewerk.

2 - Provisions

In the case of a collective withdrawal there is a collective proportionate entitlement to any provisions, if applicable. However, the entitlement only exists where underwriting risks are also transferred. The contribution made by the withdrawing insured persons to accumulating provisions is duly acknowledged.

3 - Value fluctuation reserves

In the case of a collective withdrawal there is a collective proportionate entitlement to any value fluctuation reserves, if applicable. The entitlement to value fluctuation reserves corresponds pro rata to the entitlement to the retirement savings and/or vested benefit. The contribution made by the withdrawing insured persons to accumulating the value fluctuation reserves is duly acknowledged.

4 - No entitlement to provisions and value fluctuation reserves

There is no collective entitlement to provisions and value fluctuation reserves if the partial liquidation was caused by the group which is collectively withdrawing.

Art. 5 Actuarial deficit

1 - Calculation and distribution

Actuarial deficits are calculated on the basis of the key date for partial liquidation.

The actuarial deficit is distributed between the insured persons remaining with the foundation or Vorsorgewerk and those withdrawing, or who have already withdrawn, from the foundation or Vorsorgewerk in proportion to the amount of the retirement savings and/or vested benefit.

2 - Withdrawing insured persons

An actuarial deficit is individually allocated to insured persons who are withdrawing or have already withdrawn. It is deducted from the vested benefit.

If the vested benefit has already been transferred with no deductions, the insured person must refund the excess amount to the foundation or the Vorsorgewerk.

3 - Remaining insured persons

In the case of the remaining insured persons, the actuarial deficit is left with the foundation.

Art. 6 Responsibilities

The employer or the Administrative Board is obliged to inform the foundation without delay of the following:

- a reduction in the workforce or the restructuring of the company which may lead to partial liquidation
- all relevant data connected with partial liquidation

The Administrative Board shall delegate the implementation of the partial liquidation to the foundation. The foundation assumes this responsibility on behalf of the Administrative Board and for the account of the Vorsorgewerk.

Art. 7 Information; objection and complaint

1 - Informing insured persons

The foundation shall inform all the insured persons concerned, including pensioners, of the following:

- that a case of partial liquidation obtains under the present regulations

- the total amount of free funds or actuarial deficit to be distributed
- the distribution formula
- the amount they will receive as an individual or collective share of the free funds and, if applicable, of the provisions and value fluctuation reserves.

2 - Possibility of making an objection or complaint

Insured persons may submit an objection in writing to the foundation within 30 days of receipt of the information. The foundation will then respond. Insured persons have the right to request a review of the conditions for partial liquidation and of the procedure being followed, as well as the distribution plan, by submitting a complaint in writing to the relevant supervisory authority within 30 days of notification.

A legal claim to individually allocated funds or to the transfer of the collective amount does not arise until the period for submitting objections has expired, with no objections having been lodged, or if a complaint has been lodged, not until the final ruling on the complaint.

Art. 8 Effective date

These provisions shall enter into force following approval by the supervisory authority by a resolution by the Board of Trustees and replace the partial liquidation regulations of 13 August 2012.

The provisions may be amended at any time by the Board of Trustees, subject to the agreement of the supervisory authority. They will be communicated to every person admitted to the employee benefits.