

Supplementary Conditions governing insurance for the adjustment of pensions provided under the BVG to the cost of living

Effective date: 1 January 2007

Art. 1 Subject

- 1 - If so agreed upon in the insurance contract, disability and survivors' pensions in course of payment under the BVG shall be increased, in accordance with these conditions, in adjustment to the development of prices.
- 2 - The determining basis for the adjustment shall be solely the part of the pension insured and owed in accordance with the minimum provisions of the BVG.
- 3 - With regard to the cost of living adjustment, if the insurance is
 - excluded, then no further cost of living adjustments are made to current pensions.
 - retroactively included, then the adjustment of pensions is restricted to insured events which occurred after the inclusion.

Art. 2 Qualification Requirements

- 1 - Pension increases granted under the following conditions:
 - a) in a case of disability income and of disabled person's children's benefits, regardless of whether the degree of disability is sufficient for entitlement in accordance with the BVG;
 - b) in the case of a pension for the surviving spouse or the surviving partner living in a registered partnership in accordance with the Federal law on registered partnerships for same-sex couples (PartG), if an entitlement to the pension exists in accordance with the BVG; unless, however, this pension is paid in accordance with the insurance contract but the BVG only stipulates an entitlement to a lump-sum settlement;
 - c) in the case of orphan's benefits, if the entitlement to such benefits arose in accordance with the BVG.
- 2 - Should the insurance contract grant an option for a lump sum payment instead of a pension and should such option be exercised, no claim for indemnification over the future increases in pension shall be possible.

Art. 3 Commencement and Cessation of Claim

- 1 - An increase in pension shall be granted for the first time as soon as, on any 1st January, a period of three full calendar years has elapsed since such year into which the following instance fell:
 - a) for disability pensions or disabled person's children's benefits, the day after which one year since onset of incapacity to work has elapsed, at least, however, as from the day on which the entitlement to a pension from the IV (Federal Disability Insurance) commences;
 - b) for survivors' pensions, the day on which the insured person died.

The granting of subsequent increases in pension shall be governed by provisions issued in relation to the BVG.

- 2 - If survivors' benefits become payable due to the death of a disabled person, or if a disability pension in course of payment is adjusted because of a change in the degree of disability, or if disabled person's children's benefits fall due in addition to the disability pension, then such time which has elapsed since the beginning of the period described under cl. 1(a) as well as the amount of the disability pension attained thereupon shall be taken into consideration.
- 3 - Increases in disabled person's children's benefits and in orphan's benefits in accordance with Art. 2 cl. 1(c) will be granted as long as an entitlement to such benefits exists in accordance with the insurance contract, subject, however, to cl. 4.

4 - In no case will pension increases be made once an entitled male has completed the 65 year of age or an entitled female has completed the 64 year of age. Pension increases are also omitted in the case of a spouse's pension if the entitlement in accordance with the BVG terminates due to remarriage or the formation of a registered partnership but the pension continues to be paid in accordance with the insurance contract. This also applies in the case of a pension for surviving registered partners.

Art. 4 Extent

The extent of the increase in pension shall be governed by the provisions issued in relation to the BVG.

Art. 5 Premiums

The premium for this insurance shall be determined as a percentage of the coordinated salary in accordance with the BVG and shall be due for all insured persons for whom no waiver of premium for disability shall have taken place. The premium, which is due at the beginning of the insurance year, shall be calculated in accordance with the tariff in force at that date.

Art. 6 Cancellation/Surrender of Contract/Cancellation of the Insurance of the Adjustment of Pension to the Development of Prices

Under no circumstances is there an entitlement to refund of premiums paid for the insurance of the adjustment of pensions under the BVG to the development of prices.
